

FBI

DAILY REPORT

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Vol I No 208

25 October 1984

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PRC UN RESOLUTION CALLS FOR PEACEFUL SPACE USE

OW240834 Beijing XINHUA in English 0635 GMT 24 Oct 84

[Text] United Nations, Oct. 23 (XINHUA) -- China today formally submitted to the First Committee of the U.N. General Assembly a draft resolution calling on all states to ensure that outer space be used exclusively for peaceful purposes and not become an arena for an arms race. In its first ever disarmament-related draft resolution tabled to the U.N. Organizations, China asks the General Assembly to reaffirm that the exploration and use of outer space, including the moon and other celestial bodies, shall be carried out for the benefit and in the interests of all countries, irrespective of their degree of economic or scientific development, and shall be the province of all mankind.

The resolution expresses concern at the danger posed to all mankind by an arms race in outer space, and in particular, at the intensification of research and development of outer space weapon systems, including anti-satellite and anti-missile weapon systems. It points out that the USSR and the USA, which possess military strengths far exceeding those of other countries and are actually engaged in testing and preparation of deployment of outer space weapons, have special responsibility for the prevention of an arms race in outer space. It requests the conference on disarmament to speed up the consideration on the prevention of an arms race in outer space in all its aspects as a matter of priority and urgency. An ad hoc committee should be set up at the beginning of its 1985 conference to review all relevant draft resolutions and proposals and to conduct negotiations leading to an agreement or agreements on halting the research, testing, development, production, deployment and use of outer space weapons, leading ultimately to the total prohibition and destruction of all such weapon systems. It further urges the USSR and the USA to start as early as possible serious bilateral negotiations for the same purpose and to keep the conference on disarmament properly informed of the progress of these negotiations.

The draft resolution calls on all states, especially those possessing enormous outer space capabilities, to contribute positively to ensuring that outer space is used for peaceful purposes and to adopt prompt and effective measures to prevent an arms race in outer space. The First Committee of the General Assembly, which is charged with reviewing political and security affairs, will consider this and other related draft resolutions on disarmament issues in early November, and then decide whether to submit them to the General Assembly for adoption.

UN ENVOY URGES NONINTERFERENCE IN C. AMERICA

OW250446 Beijing XINHUA in English 0231 GMT 25 Oct 84

[Text] United Nations, October 24 (XINHUA) -- "The problems of Central American countries should be solved by the peoples of those countries themselves," Chinese Ambassador Ling Qing said here today as the UN General Assembly began its debate on the situation in Central America. The Chinese permanent representative to the United Nations said that China maintains that all external interference must be opposed in order to relax tensions in Central America, and the independence, sovereignty and territorial integrity of all the countries there should be strictly respected.

He noted that over the past year armed conflicts in the region have been unabated, the presence of foreign military forces has continued and interference and infiltration from outside has increased without letup. "All this shows that the various internal and external contradictions and factors making for crisis still pose a threat to peace and stability in Central America." Ambassador Ling pointed out that there are fundamental internal economic and social causes for the upheaval in Central America. However, superpower intervention has aggravated the turbulent situation in the region. The superpowers have tried to obstruct the struggle of the people in the region for political rights and social reforms, have increased their overt and covert military aid and have even resorted to the show of force and threat of force. "This has greatly complicated the situation in the region, posing a threat to international peace and security," he stressed.

The Chinese representative reiterated China's support for the efforts made by the Contadora Group for a peaceful settlement of the Central American question. Over the past two years, Ling said, the Contadora Group has made every effort to help persuade the parties concerned to seek a negotiated settlement to their disputes, promote the social and economic development of Central America and achieve regional peace and cooperation. Recently, he added, the group has formulated the Contadora Act on Peace and Cooperation in Central America which proposes such important measures as not authorizing the installation of foreign bases and removing all foreign military advisers from the region. Ling called on all countries concerned to assist the Contadora Group in its peace efforts so as to achieve the earliest possible settlement.

OFFICIALS ATTEND UN DAY RECEPTION IN BEIJING

OW240802 Beijing XINHUA in English 0750 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- A reception for the United Nations Day was given here today by Manfred Kulesa, resident co-ordinator of the U.N. system's operational activities for development. Among the guests were Chen Muhua, state councillor and minister of foreign economic relations and trade, Qian Qichen, vice-minister of foreign affairs, and diplomatic envoys of various countries to China.

STRONG U.S. DOLLAR SAID TO HURT GLOBAL ECONOMY

OW221126 Beijing XINHUA in English 1031 GMT 22 Oct 84

["New Analysis: Strong Dollar Hurts Global Economy, (by Zhao Zijian)" -- XINHUA headline]

[Text] Washington, October 22 (XINHUA) -- The U.S. dollar, which has climbed to new highs on world foreign exchange markets during the past two months, has hurt not only the economy of other developed nations and Third World countries, but the United States itself. The Deutsche mark of Federal Germany, the hardest currency in Europe, finished at 3.15125 on the New York Stock Exchange on October 15, hitting an all-time low for the past 11 years, while the Swiss franc traded at 2.57825 dollars, a record low for the past 7 years. The pound sterling also sank to a new low on October 16, well under 1.20 dollars.

Some economic experts maintain that the upward trend of the dollar is a positive indication of the sustained growth of the U.S. economy and will act as a "locomotive" to the recovery of the world economy. However, other economic analysts believe that the surge of the dollar and the unstable world foreign exchange markets are inflicting more harm than good. For example, since the beginning of the U.S. economic recovery two years ago, Federal Germany, France, Britain and Italy have struggled to update their again industrial plants and restructure their economies in order to make their manufactured goods competitive with those of the United States and Japan. But the strong dollar has made it exceedingly difficult to raise the necessary capital.

As Vice-Finance Minister Hans Tietmeyer of Federal Germany explained recently, in order to offset the higher exchange rates, manufacturers in his country have had to invest heavily in increasing their exports to the United States instead of restructuring and re-investing in the industrial sector. Bundesbank President Karl Otto Pohl said: "It is not in our national interest to build up industrial capacity based on unreasonable exchange rates. I would not like to see an export profit boom based on an unrealistic exchange rate." Manufacturers, financiers and economic analysts fear that as the dollar sags, some of Federal Germany's industries will be caught with surplus production capacity and will not be able to quickly adapt to new financial circumstances. In large measure, this predicament is the deep concern of other European countries.

The developing countries, however, are the most deeply affected by the strong dollar which imposes more difficulties than any benefits which these countries might derive from increased exports due to an exchange rate which favors the U.S. Half of the 300-billion-debt owed by Latin American countries is owed to American banks. The increase of U.S. dollar exchange rate makes repayment more and more burdensome to their national economies.

Because the dollar is the accounting unit for world trade of oil and industrial goods, developing countries are now paying more for their imports, inevitably aggravating the pressures of inflation within their countries and hampering their economic recovery. The strong dollar has created disadvantages as well as advantages for the American economy. The U.S. now pays less for imported raw materials and manufactured goods, thereby holding down inflation. However, U.S. exports have become increasingly expensive with the strong dollar and its export volume has dropped. The resulting international trade deficit coupled with domestic budget deficits are the major factors for the instable development of the U.S. economy. The value of the dollar which has been rising steadily for the past three years, increased its upward swing sharply during this September and October. Normally, the unprecedented large international trade and domestic budget deficits, a slowed economic growth, under-utilized industrial capacity and drops in banks' favorable interest rates would cause a drop in the value of the dollar in exchange markets. The reverse has been the case.

Economic circles here attribute this to the following factors: First, the tight monetary policy adopted by the U.S. Government combined with the drop in oil prices has kept the inflation rate low. And key index, that of producers' prices, has averaged only a 2 percent increase during the past 12 months. Meanwhile, the low inflation rate has raised the actual rate of return to investment, so capital has continued to flow into the U.S. from Europe and Japan.

During the first half of 1984, the flow of foreign capital totalled 158.3 billion dollars compared with 33.9 billion dollars during the whole of 1983. In spite of the fact that the U.S. trade deficit exceeds 10 billion dollars, the dollar has maintained its strength with this mighty inflow of foreign capital. Second, the U.S. economic recovery began earlier and moved ahead more quickly than the recovery in Europe or Japan. The U.S. gross national product (GNP) jumped 10.1 percent during the first quarter of 1984 and 7.1 percent during the second quarter. The annual increase rate is expected to average 7 percent, despite a mere 2.7 percent increase during the third quarter. By comparison, the 1984 GNP increase rate is estimated at 4 percent for Japan and even lower for European countries. Third, the central U.S. bank has maintained the discount rate at 9 percent since last April, but the commercial banks have raised their interest rates four times from March through June of this year. After a recent slight drop, the rates have settled at 12.5 percent and this high interest rate is one factor which supports the strong dollar. How long the strength of the dollar will be sustained depends largely on the confidence of foreign investors in the U.S. economy and on the future inflow of foreign capital. Prospects of a continued strong dollar seem uncertain, at least for the time being. A survey of 161 heads of major European investment agencies conducted last month by an authoritative American financial institution, the Salomon Brothers, indicated that confidence in the dollar by Europeans has somewhat weakened.

The survey revealed that only 46 percent of those surveyed intended to buy more American assets in the next six months, a sharp contrast with the 71 percent who responded to a similar survey in March 1983. The survey also found that all European countries except Britain cited Japan as their first choice for future investment, followed by Europe and then the United States. The majority of the surveyed believe that the dollar will devalue against the pound sterling and the French franc. Henry Kaufman, chief economist of Salomon Brothers, contends that the dollar will face a test in the second half of 1985. He said, "at that point, you may see, if not a dollar crash, at least a very sizable sell-off." Alexander Swoboda, director of the Geneva-based Center for International Monetary Study, noted, "if the dollar goes down by 10 percent, people may think that is the turning point, and then it will begin to tumble." Assessments of the prospects for America's economic growth may change in the near future. Solutions to America's international trade and domestic budget deficits have been a major topic during this year's presidential election campaign. Whoever wins, Reagan or Mondale, and whichever economic policy is in force, the existing one or that of higher taxation, America will continue to need foreign capital. Although speculations in the money market are increasingly active, flight of foreign capital and decline in the dollar value will take place as soon as there is a turn for worse in the expected inflation rate, economic growth rate, investment taxation rate or money market performance. Nevertheless, many economists believe that while temporary fluctuations in the exchange rate of the dollar are inevitable, the strength of the dollar is unlikely to weaken for some time.

HU QIAOMU MEETS U.S. DELEGATES TO WRITERS GROUP

OW241724 Beijing XINHUA in English 1622 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the Chinese Communist Party Central Committee, met the delegations to the Sino-U.S. writers conference here today. The American delegation was headed by William Schaefer, and the Chinese delegation by Feng Mu, vice chairman of the Chinese Writers Association. Harrison Salisbury and Feng Mu acted as the co-chairmen at the conference, which was held in Beijing on October 21-23.

Extending a warm welcome to the visiting Americans, Hu Qiaomu said he supported mutual visits between Chinese and American writers, because they would promote cultural exchanges, friendship and understanding between the people of the two countries. Before the meeting, Hu Qiaomu posed for a photograph with the writers.

U.S. WARNS OF SOVIET BUILDUP AT CAM RANH BAY

OW241818 Beijing XINHUA in English 1454 GMT 24 Oct 84

[Text] Bangkok, October 24 (XINHUA) -- The United States today warned Asia of an alarming Soviet military buildup in the South Vietnamese strategic naval base of Cam Ranh Bay with Hanoi's approval. Speaking in Hawaii to journalists in several Asian countries by a television hook-up, Admiral William J. Crowe, commander of the U.S. Pacific Forces, said the Cam Ranh Bay has become a permanent Soviet facility after years of gradual and steady buildup. On any given day, he said, the Soviets operate out of the Cam Ranh Bay six to 10 sophisticated combatant ships, five to six submarines and 10 to 12 associated naval support ships.

CIA TO END INVOLVEMENT WITH NICARAGUAN REBELS

OW241930 Beijing XINHUA in English 1922 GMT 24 Oct 84

[Text] Washington, October 24 (XINHUA) -- CIA officials disclosed today that CIA, now in the heat of congressional pressure and public censure for its manual advising political assassination in Nicaragua, had decided to cease its involvement with Nicaraguan rebels. These officials claimed that "there is now a complete prohibition of any involvement in any way, shape or manner with the (Nicaraguan) rebels." They added that CIA has "ordered any of the manuals extant to be recalled and has sent word that it is now inoperative" beginning yesterday. However, a senior Nicaraguan rebel leader was quoted by press reports as saying yesterday, "I don't remember anyone coming to get the manual" or "advising us not to use it."

During their meeting with two members of the U.S. Senate Intelligence Committee Monday, CIA officials were reported to have said that copies of the manual had been sent to Washington soon after it was written late last year and CIA officers had reviewed and edited the manual before they were delivered to the rebels in Honduras. CIA officials said that some of the offensive material, including the advise to "neutralize" Nicaraguan Government officials, remained intact. Reports quoted Nicaraguan rebel leaders as saying that in fact, the manual that their officers used for training for more than six months included nearly all the "offensive material." Altogether 2,000 copies of the manual were printed.

PART 4 OF WANG BINGNAN ON SINO-U.S. TALKS

HK250551 Guangzhou GUANGZHOU RIBAO in Chinese 16 Oct 84 p 3

[Article by Wang Bingnan: "The 9-Year Sino-U.S. Talks in Retrospect -- Part 4"]

[Text] The Geneva Conference opened solemnly on 26 April in the League of Nations Building (where the League of Nations was located after World War I). Many illustrious diplomats active in the international political arena at that time were at the conference, such as Soviet Foreign Minister Molotov, British Foreign Secretary Eden, French External Relations Minister Bidault, U.S. Secretary of State Dulles, Foreign Minister Nam Il of the DPRK and the representatives of South Korea and members of the "UN Forces" Australia, Belgium, Canada, Columbia, Abyssinia (Ethiopia), Greece, Luxembourg, Holland, New Zealand, the Philippines, and Turkey. The conference agreed that while discussing the Korean issue, the chief representatives of Thailand, the Soviet Union, and Britain would take turns presiding over the meeting day by day; and while discussing the Indo-China issue, the chief representatives of the Soviet Union and the United States will take turns presiding over the meeting.

The Geneva Conference was divided into two stages: The first stage, discussing the Korean issue, concluded on 15 June. A restricted meeting on the Indo-China issue was held at the second stage that began on 16 June. The conference closed on 21 July.

The confrontation between East and West was quite obvious throughout the Geneva Conference. The Soviet Union, China, Korea, and Vietnam, which represented one side, were closely united. They had frequent contacts outside the meeting and coordinated with each other at the meeting. Centering on many major and key issues, they waged a tit-for-tat struggle against the Western countries headed by the United States. The leaders of the delegations of the Soviet Union, China, Korea, and Vietnam frequently met at Molotov's residence to discuss and study problems occurring at the meeting and to exchange information and views and adopt countermeasures. The Soviet and Vietnamese comrades also came to our villa quite often to have conversations with Premier Zhou. At the conference, these delegations adopted identical stands and attitudes.

With regard to the Korean issue, the Military Demarcation Line was already settled and the further problem was to ensure our political power. Comrade Nam Il of Korea spoke at the meeting on 27 April. In light of the scheme prepared beforehand, he put forward an overall proposal for solving the Korean issue, which included the following: withdrawal of foreign troops within 6 months, free elections nationwide, and resumption of Korea's peaceful reunification.

Dulles, secretary of state and head of the U.S. delegation took the floor on the second day. Dulles was also a conspicuous figure at the conference. He was of medium height. With a pair of glasses, he looked stern and grim. He spoke insolently and attacked the stand of Korea, China, and the Soviet Union on the Korean issue. His language was vilifying and his attitude arrogant. The essence of this speech was that the United States was attempting to permanently occupy South Korea and realize the so-called resolution of the United Nations on unifying Korea.

Premier Zhou also delivered a speech at that conference. After listening to Dulles' speech, he immediately added a long passage to his original draft to refute Dulles' speech. He delivered this passage sternly with a sense of justice and dignity. Premier Zhou solemnly stated his support of the proposal put forward by the DPRK for national unification, condemned the U.S. act of aggression over Korea, and called for checking the U.S. act of aggression. He called on Asian countries to carry out consultations with each other and make concerted efforts to safeguard peace and security in Asia; called on all European countries to safeguard security in Europe on the basis of collective efforts; and called for universal disarmament, a halt in arms expansion, and prohibition in the use of A-bombs, H-bombs, and other large-scale devastating weapons. He also expressed regret at the fact that India, Indonesia, Burma, and other countries could not attend the conference. Later he specifically proposed a discussion at the restricted meeting attended by five big powers and North and South Korea.

Premier Zhou's speech was very successful, which indicated the clear-cut stand and sincere attitude of the PRC for actively solving problems. His speech won the acclaim of a number of countries' representatives.

However, the United States did not have any sincerity in the discussion of the Korean issue from the very beginning and was simply not willing to take a step forward on the issue. Owing to the stubborn attitude of the United States, the conference could not reach any agreement for a long time. Nevertheless, the struggle was still extremely acute and complicated and the task of the discussion was arduous. Seeing that no fruitful results were to be achieved on the Korean issue, Premier Zhou held that instead of winding up the matter there should be room for discussing the issue after the meeting. For this reason, he pointed out at the final meeting: The countries attending the Geneva Conference "will, on the basis of establishing a unified, independent, and democratic Korea, continue to make efforts to reach an agreement on peacefully solving the Korean issue." He also proposed that the countries concerned should further consult the suitable time and place for resuming the talks. As the proposal was fair and reasonable and no one raised an objection at the meeting, the U.S. representatives appeared personally and refused to accept the proposal.

Due to the obstructions caused by the U.S. delegation, the discussion on the Korean issue, which lasted 51 days, closed without reaching any agreement.

PRC SAID TO ACCUSE USSR OF NUCLEAR ARMS IN SRV

NC250915 Paris AFP in English 0827 GMT 25 Oct 84

[Excerpt] Beijing, Oct 25 (AFP) -- China has accused the Soviet Union of deploying nuclear weapons at the Cam Ranh Naval Base in Vietnam, the head of a visiting French Socialist Party delegation said. Guy Allouche told journalists here yesterday that Chinese leaders had expressed concern at what they called the growing threat posed by Soviet nuclear weapons recently installed at Cam Ranh Bay and those stationed on China's northern borders. The leaders did not specify whether the weapons were land-based, sea-based or airborne, he added.

Chinese officials have never before accused Moscow of installing nuclear weapons at Cam Ranh Bay, although they frequently complain that the bay has become a Soviet conventional military base, Western military experts said.

KYODO REPORTS SOVIET TRADE DELEGATION TO VISIT

OW241133 Tokyo KYODO in English 1120 GMT 24 Oct 84

[Text] Beijing, Oct 24 KYODO -- A Soviet trade delegation will visit China for talks on a bilateral annual trade agreement, Eastern sources here said Wednesday. The negotiations are expected to begin after the fifth round of vice-ministerial level normalization talks now under way in the Chinese capital, the sources said. They said Soviet and Chinese officials are expected to agree on a substantial expansion of a two-way trade volume for 1985. It recorded 800 million dollars in 1983 compared with about 300 million dollars a year earlier.

Bilateral trade is estimated to go up to 1.2 billion dollars this year. The sources said the visit by the Soviet trade mission will reduce chances of a planned trip to Beijing by Soviet Vice Premier Ivan Arkhipov this year, which was primarily aimed at concluding a long-term trade agreement. The Soviet Union has probably changed its policy toward signing a one-year agreement, according to the sources.

CELEBRATED SOVIET WRITER KOZHEVNIKOV DIES

OW230325 Beijing XINHUA in English 0242 GMT 23 Oct 84

[Text] Moscow, October 22 (XINHUA) -- Celebrated Soviet writer Vadim Kozhevnikov died Saturday at age 76, Soviet television reported this evening.

Kozhevnikov published his first novel in 1930. His celebrated works include "To Meet the Dawn". The writer who worked as a correspondent for the Soviet paper LITERARY GAZETTE in China during 1953-56, published a number of literary books on China, including "In the Great People's Republic of China" and "The People of New China."

CPC DELEGATION DEPARTS FOR JAPAN 25 OCT

OW250652 Beijing XINHUA in English 0631 GMT 25 Oct 84

[Text] Beijing, October 25 (XINHUA) -- A Chinese Communist Party delegation led by Qiao Shi, alternate member of the Secretariat and head of the Organizational Department of the party's Central Committee, left here for Tokyo this morning on a visit to Japan at the invitation of the Japanese Socialist Party. This is the first CPC delegation to Japan. It was seen off at the airport by Hu Qili, member, and Hao Jianxiu, alternate member, of the Secretariat of the CPC Central Committee, and leading members of the departments concerned. The delegation includes Ren Zhongyi, member of the CPC Central Committee and first secretary of the Guangdong provincial party committee (as its advisor); Qian Liren, head of the International Liaison Department of the party's Central Committee; Zhang Guoying, vice-president and first secretary of the All-China Women's Federation; and Zheng Jusheng, assistant director of the International Liaison Department of the All-China Federation of Trade Unions.

WU XUEQIAN, JAPANESE MINISTER DISCUSS WAR ORPHANS

OW241056 Beijing XINHUA in English 1041 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Wu Xueqian, Chinese state councillor and foreign minister, promised Japanese Minister of Health and Welfare Kozo Watanabe here today that the Chinese Government would continue efforts toward an early solution of the problem of Japanese war orphans living in China who wish to be reunited with their families in Japan. During the meeting, which took place in the Diaoyutai State Guesthouse, the Chinese foreign minister said: "The Chinese Government attaches great importance to the orphan problem which is left over from history. In the spirit of humanitarianism and with a desire to promote friendly relations between China and Japan, an agreement to consult on this problem was reached in March this year between our two governments." These children were born in China during the war and were either orphaned or lost track of their families. They were taken care of by the Chinese Government and many were adopted by Chinese parents. "Since they are now in their forties, or fifties, their parents, if still living, would be quite old. China will cooperate with the Japanese Government to find a solution to these problems as quickly as possible," Foreign Minister Wu said.

There are now about 2,000 of these people living in China. In recent years, five groups, totaling 262 persons, have been organized by the two governments to go to Japan to look for their relatives. So far 162 of them have been reunited with their families.

Kozo Watanabe, who is here attending the opening ceremony of the China-Japan Friendship Hospital, said the Japanese people were deeply moved by the concern of the Chinese leaders for the orphans. A orphan's fund, an organization set up in Japan, has decided to invite 18 Chinese foster parents to visit Japan and their adopted children there next month as an expression of thanks. Minister Watanabe also thanked the Chinese Government for cooperating in making the arrangements for the forthcoming visit.

FANG YI MEETS JAPANESE POLYMER SCIENTISTS

OW241746 Beijing XINHUA in English 1451 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- State Councilor Fang Yi met here this evening chairman A. Nakajima of the Japanese organizing committee of the China-Japan symposium on synthesis and materials science of polymers and his committee, and had a cordial talk with them. Present were President Lu Jiaxi and Vice-President Yan Dongsheng of the Chinese Academy of Sciences, and Chairman Qian Renyuan of the Chinese organizing committee of the symposium. After the meeting, President Lu Jiaxi gave a banquet in honor of the Japanese and Chinese scientists attending the symposium.

DPRK PAPER CRITICIZES S. KOREA MILITARY EXERCISE

OW241802 Beijing XINHUA in English 1456 GMT 24 Oct 84

[Text] Pyongyang, October 24 (XINHUA) -- The NODONG SIMUN newspaper here today, described the military exercise now under way in South Korea as an act that undermines the atmosphere of national unity. The exercise, codenamed "Sangryong (Twin Dragons) 84" beginning October 22, involves more than 15,000 "homeland defence reserve forces" and 1,000 vehicles. It will last for six days. The paper pointed out that the military exercise proves that the South Korean authorities are seeking military confrontation between the North and South, not dialogue or improvement of their relations.

ZHAO SENDS THAI PRIME MINISTER GET-WELL LETTER

OW250444 Beijing XINHUA Domestic Service in Chinese 1205 GMT 22 Oct 84

[Text] Bangkok, 22 Oct (XINHUA) -- Chinese Premier Zhao Ziyang wrote a letter to Thai Prime Minister Prem Tinsulanon, congratulating the latter on his speedy recovery from his illness. Chinese Ambassador to Thailand Shen Ping called on Prime Minister Prem this morning and delivered Premier Zhao's letter.

In his letter, Premier Zhao Ziyang said: "I have learned that you were hospitalized recently because of illness. I am very much concerned. I am relieved to learn that you have now recovered from your illness and been discharged from the hospital."

Prime Minister Prem told Ambassador Shen: "I wish to thank Premier Zhao for his concern over my health, and would like to express my sincere appreciation on behalf of all the people of Thailand."

Prime Minister Prem received Ambassador Shen Ping in the drawing room of his residence. Displaying a fine spirit today, he cheerfully said: "Everything has returned to normal." Prime Minister Prem was hospitalized on 26 September for pulmonary thrombosis. He was discharged on 10 October and has been recuperating at home.

THAI FOREIGN MINISTER COMMENTS ON KAMPUCHEA

OW242019 Beijing XINHUA in English 1957 GMT 24 Oct 84

[Text] Bangkok, October 24 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila predicted here today that the outcome of the United Nations' debate on the Kampuchea problem, which will begin early next week, will be better than that of last year. Speaking to XINHUA at a United Nations Day reception here this evening, he said "Vietnam will not be able to challenge our draft resolution. Vietnamese Foreign Minister Nguyen Co Thach's so-called new proposals on Kampuchea look like new, but are old indeed." He went on to say that "the proposals are aimed at keeping Heng Samrin regime alive for ten more years, suppressing the people and disarming Khmer Rouge. They will not succeed."

Referring to the military situation in Kampuchea, he predicted that "the next dry-season attacks by Vietnamese troops in Kampuchea may be launched earlier than in the previous years, because they have continued military operations in this rainy season, received more arms supplies from the Soviet Union." He noted "more Vietnamese soldiers are being committed in the fighting in interior Kampuchea, so Hanoi have not enough troops left and had to use more and more artillery pieces and airplanes to bombard the camps of the resistance forces in areas bordering Thailand. This is evidence of Vietnam's weakness."

"No matter whatever the efforts, the Vietnamese troops cannot succeed. Peace on Thai soil will be endangered, of course, but we will effectively protect it," Sitthi concluded.

CHEN MUHUA MEETS AUSTRALIAN TRADE GROUP

OW240824 Beijing XINHUA in English 0801 GMT 24 Oct 84

[Text] Beijing October 24 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, met and had a friendly talk with an Australian trade delegation here this morning. The delegation, led by P.H. Baratt, deputy secretary of the Department of Trade, is here for attending the 11th session of the Sino-Australian Joint Trade Committee.

MALDIVES PRESIDENT, DELEGATION ARRIVE IN BEIJING

OW241104 Beijing XINHUA in English 1056 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Maumoon Abdul Gayoom, president of the Maldives, flew in here this afternoon on a state visit to China at the invitation of Chinese President Li Xiannian.

Gayoom, the first head of state from the Indian Ocean island state to visit China, is accompanied on the visit by a number of senior officials, including Foreign Minister Fathulla Jameel, Minister of State for Presidential Affairs Abbas Ibrahim.

They were greeted at the airport by Yang Taifang, chairman of the Chinese Government reception committee and minister of posts and telecommunications; and Vice-Foreign Minister Liu Shuqing. An official welcoming ceremony for President Gayoom is scheduled tomorrow morning.

Li Xiannian Welcomes Gayoom

OW250223 Beijing XINHUA in English 0146 GMT 25 Oct 84

[Text] Beijing, October 25 (XINHUA) -- Maldivian President Maumoon Abdul Gayoom was honored at a grand welcoming ceremony presided over by Chinese President Li Xiannian here this morning.

The ceremony took place at the plaza to the east of the Great Hall of the People. When the Maldivian president drove to the plaza at 8:45, Li Xiannian greeted him with a warm handshake. A young girl presented President Gayoom with a bouquet of flowers.

The ceremony began with a military band rolling out the national anthems of the Maldives and China amid a 21-gun salute. President Gayoom, accompanied by President Li, reviewed a three-service honor guard. Three hundred youngsters shouted slogans to welcome the distinguished guest from the Indian Ocean island state.

Present at the ceremony were Yan Jici, vice-chairman of the Standing Committee of the Chinese National People's Congress; Wu Xueqian, state councillor and foreign minister; and Yang Taifang, chairman of the reception committee and minister of posts and telecommunications. Principal members of President Gayoom's entourage were also present.

Li, Gayoom Hold Talks

OW250928 Beijing XINHUA in English 0910 GMT 25 Oct 84

[Text] Beijing, October 25 (XINHUA) -- Chinese President Li Xiannian held two-hour talks with the visiting Maldivian president, Maumoon Abdul Gayoom, here today.

It was learned that their talks covered bilateral relations and international issues of common concern. The two sides shared identical views many of the issues covered. The two leaders were of the opinion that relations between China and the Maldives had developed soundly since the establishment of diplomatic ties in 1972.

Gayoom maintained that the two sides reached identity of views on many international issues, including international economic issues, and that increased exchange of visits between the two countries had deepened mutual understanding.

Li Xiannian said that there was no outstanding problem but friendship between China and the Maldives. "To develop friendly relations of cooperation with the Maldives is the Chinese Government's established policy. We will work to promote our cooperation in various areas," he added.

The two leaders also briefed each other on their domestic economic situation. Gayoom invited Li to visit the Maldives at a time convenient to him. Li accepted the invitation with pleasure.

On international issues, the two leaders voiced their support to the efforts to expand regional cooperation between the South Asian countries and to the proposal on making the Indian Ocean a peace zone.

Gayoom pointed out that the demilitarization of the Indian Ocean was vital to the littoral countries in maintaining their independence and territorial integrity and developing their economies. He said that the Maldives was opposed to any country's armed intervention into another and demanded unconditional withdrawal of foreign troops from Kampuchea and Afghanistan.

Li reaffirmed that the basic standing point of China's foreign policy was to strengthen unity and cooperation with the other Third World countries. He said that China had good relations with the South Asian countries and was willing to develop such relations continually on the basis of the Five Principles of Peaceful Coexistence.

Taking part in the talks on the Maldivian side were Foreign Minister Fathulla Jameel, Minister of Atolls Administration Abdulla Hameed and Minister of State for Presidential Affairs Abbas Ibrahim. On the Chinese side were State Councillor and Foreign Minister Wu Xueqian, Minister of Posts and Telecommunications Yang Taifang, and Chinese Ambassador to the Maldives Zhou Shanyan.

PAKISTANI PRESIDENT RECEIVES PRC JOURNALISTS

OW220829 Beijing XINHUA in English 0647 GMT 22 Oct 84

[Text] Islamabad, October 21 (XINHUA) -- President Ziaul Haq of Pakistan said today that the level of the Soviet occupation troops in Afghanistan has increased to 150,000 but they are still unable to conquer the Afghan resistance.

Zia said this when receiving a visiting Chinese journalist delegation headed by Li Pu, member of the Secretariat of the All-China Journalists Association, in Rawalpindi this evening.

He noted that the Soviet occupation in Afghanistan is aimed at proceeding southward to the Indian Ocean. The Soviets are trying to have their position in Afghanistan consolidated. Previously they had 100,000 troops stationed there and recently they have increased 50,000 the number by and more. However, the Soviets have so far failed to conquer Afghanistan. The Afghan freedom fighters are still persisting in their struggle in their homeland.

The president said that Pakistan is seeking a political settlement to the Afghan problem. "So we did is due to the Soviets' expression that they would withdraw their troops" and "our efforts have won support of the United Nations." [sentence as received]

Asked about the recent air raids of Pakistan's border villages by Afghan planes, President Zia said, "We hope that such incidents would be brought to an end." "If the Soviet Union refuses to assist in the solution of the problem, there will be definite recurrence of such incidents," he added.

In reply to a question about the Indo-Pakistan relations, the president said that during the last seven years of his administration, Pakistan has been seeking normalization of relations with India and all these efforts by Pakistan have proved Pakistan's sincerity. However, the abrupt deterioration experienced this year in the bilateral relations has brought them into the lowest ebb and the clashes at the cease-fire line in the Kashmir area are also the most frequent ones witnessed in the past years.

Citing the Indian charges against Pakistan, Zia pointed out that India, faced with its domestic disturbances and the forthcoming elections, wants to sacrifice Pakistan as a scapegoat to settle its domestic problems.

Paying high tribute to the Pakistan-China friendship, President Zia said that the Pakistan-China relationship is the best one shared by two neighbors. Such friendship, he said, not only exists politically between the two governments but also has taken roots in the hearts of the two peoples. The Chinese journalist delegation arrived in Pakistan on October 18 for a 15-day friendly visit to the country.

AFGHAN REBEL LEADER REPORTS MORE DESERTIONS

OW241854 Beijing XINHUA in English 1831 GMT 24 Oct 84

[Text] Islamabad, October 24 (XINHUA) -- More and more Afghan troops have deserted the Karmal regime to join the ranks of the mujahidin fighting against the Soviet occupation forces, Sher Ahmad Nasri, a representative of the Islamic Alliance of Afghan mujahidin told XINHUA today. Nasri said hundreds of defectors from the troops of the Karmal regime joined the mujahidin last month, including a senior officer. Asked about the causes for the increased defections, Nasri said it was mainly because of the Soviet occupation and massacre of their countrymen. "They want freedom, not the armed occupation by Russians," he added.

A high-ranking officer of the Kabul authorities, Gulam Hassan, joined the mujahidin with hundreds of his armed men last month and about 200 Afghan troops deployed in the west of Kabul defected to the mujahidin. During the month, at least 50 soldiers deserted from 44th Afghan Regiment deployed in the Panjsher Valley. Another 55 soldiers defected from the 8th Division of the Afghan Army stationed in Karal, west of Kabul. A number of tribal militiamen, armed and paid by the government, deserted a security post near a hydro-electric plant east of Kabul during a guerrilla attack. As a result, much of the equipment of the plant was damaged and three Russian soldiers stationed there were killed.

ZHAO ZIYANG MEETS OUTGOING FRG AMBASSADOR

OW241742 Beijing XINHUA in English 1433 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Premier Zhao Ziyang met here this afternoon with Guenther Schoedel, ambassador of the Federal Republic of Germany to China. Ambassador Schoedel will leave his post for home.

FRIENDSHIP ASSOCIATION FETES FRG GUESTS

OW231753 Beijing XINHUA in English 1454 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries gave a reception here this evening for a delegation from the Hanns-Seidl Fund of the Federal Republic of Germany led by its Secretary General Wolfgang Maurus. Arrived in Beijing yesterday, the delegation attended the first day's activities of a seminar jointly sponsored by the host association, Chinese of the seminar which opened here today were specialists in education, tourism, foreign policy, agriculture and public health and 30 Chinese scholars who studied in Federal Germany with scholarships offered by the fund. Since 1980, the fund has offered more than 100 scholarships to the Chinese students.

LI YIMANG MEETS FINNISH PEACE UNION DELEGATION

OW241858 Beijing XINHUA in English 1835 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Li Yimang, president of the Association for International Understanding of China, met with a delegation from the Peace Union of Finland led by its Chairman Goran Von Bonsdorff here this evening. Later Li Yimang gave a dinner for the Finnish visitors. Present on the occasion were Ou Tnagliang, member of the Standing Committee of the National People's Congress, and Finnish Ambassador to China Risto Hyvarinen.

PRC, FINNISH DELEGATIONS SIGN CULTURAL AGREEMENT

OW201754 Beijing XINHUA in English 1529 GMT 20 Oct 84

[Text] Beijing, October 20 (XINHUA) -- The year 1985 will see a Chinese film retrospective exhibition held in Finland and activities in China marking the 120th anniversary of the Finnish composer Sibelius' birth. These and many other items are written in the program on cultural exchanges between the Chinese and Finnish Governments for the period of 1985 - 1987, which was signed here this afternoon.

Lu Zhixian, vice-minister of culture, and Jaakko Numminen, secretary general of the Ministry of Education, signed the program on behalf of their respective governments.

Yang Chengwu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met with Numminen and the cultural delegation of the Finnish Government he headed before the signing ceremony. Finnish Ambassador to China Risto Hyvarinen and Mrs. Hyvarinen attended the meeting and the ceremony.

PRC ENVOY SPEAKS AT BUILDING CEREMONY IN UK

OW210257 Beijing XINHUA in English 0231 GMT 21 Oct 84

[Text] Cambridge, England, October 20 (XINHUA) -- A foundation stone laying ceremony for a new permanent building of the Needham Research Institute was held in this famous cultural town today. World-renowned scholar Dr. Joseph Needham, who is 84 years old, was present on the occasion. Chen Zhaoyuan, Chinese ambassador to the United Kingdom, was invited to lay the foundation stone. The new building will consist of a central library with two wings, connected by a cloister, all in a modest style inspired by the typical architecture of east Asia. The main part, the library, will be completed next year and open to the public in 1986.

Lord Roll of Ipsden, chairman of the East Asian History of Science Trustees, made a speech of welcome and introduction at the ceremony. He thanked the numerous benefactors for their generosity: those from Singapore, Hong Kong and Britain for the building; those from the U.S.A. and Japan for endowment and research; and those from China for massive donations of books and journals.

The Chinese ambassador said that Dr. Joseph Needham has made outstanding contributions to the promotion of scientific and cultural exchanges between China and the United Kingdom and has won the respect of the Chinese people.

Dr. Joseph Needham, director of the Needham Research Institute, said that before his study, "no one believed there had been achievements in science in China." "Now, the Chinese do not have to be intimidated by modern Western technology, because they have such a great past," he said. He expressed the hope that the study will eventually cover all of east Asia, and can all be cultivated "in the same way".

The building is the direct outcome of Dr. Joseph Needham's monumental series of volumes "Science and Civilisation in China," which is now internationally recognized as a work of immense and unique importance and has played a crucial part in establishing in the West a new and informed respect for the achievements of Chinese culture. Because of his outstanding achievements in natural sciences, Dr. Needham was presented last year by the Chinese Government with a first-class national award of natural sciences, the highest of its kind. He was also given the degree of honorary doctor and the title of honorary professor of the Chinese Academy of Social Sciences. In 1980, on the occasion of his 80th birthday, the Chinese Academy of Sciences conferred on him the title of honorary research professor of the academy.

ITALIAN DIRECTOR TO FILM LAST EMPEROR'S STORY

OW230833 Beijing XINHUA in English 0652 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- The life story of Pu Yi, China's emperor, is being made into a serialised film for TV in a Sino-Italian production directed by Bernardo Bertolucci. The six-part series, called "The Last Emperor", is expected to cost between 20 and 30 million U.S. dollars, exceeding the investment in "Marco Polo", the first Sino-Italian TV series. It is based on Pu Yi's autobiography, the English version of which is called "From Emperor to Citizen."

Associate producer Franco Giovale said that half the screenplay had been completed. Shooting would start next year and should be completed in 1986.

Pu Yi ascended the throne at the age of three, and the film follows his life from child emperor at the end of the Qing Dynasty to war criminal and finally to an ordinary citizen in the People's Republic. He died of cancer in 1967 at the age of 61.

Bertolucci, who directed "Last Tango in Paris," said: "I shall consider the movie to be a success if the latter part of Pu Yi's life, and an experience as alien and incomprehensible to us as re-education, can be accepted by the Western public."

Pu Yi was deposed by the 1911 revolution and was crowned by the Japanese in 1934 as emperor of the puppet state of Manchukuo in northeast China, and in 1945, when Japan surrendered, he was captured by the Soviet Red Army who handed him over to China five years later.

In the next 10 years, he undertook a re-education program at a camp for war criminals. He learned how to wash clothes, did manual labor, studied historical materialism and learned to conduct self-analysis. He was released at the end of 1959 to become an ordinary citizen.

There were 11 children in the last reigning Qing Dynasty family, four of whom have died, said Pu Jie, 77, Pu Yi's younger brother, who has been invited to be the TV film's historical advisor. "In both Chinese and world history," he said, "ex-emperors could rarely escape being killed. But my brother and family are an exception."

"The Communist Party's success in reforming an ex-emperor is of great significance in human history."

Both Pu Jie and Li Wenda, the book's co-author and another advisor to the film producers, said that after talking with the director, they were convinced Pu Yi would be portrayed accurately.

Li said he was greatly moved when he learned that the late Premier Zhou Enlai had told some Japanese visitors in the 1970's that he thought the book was very well written.

After the chaotic years of the "Cultural Revolution" (1966-1976), the autobiography was reprinted. 1,300,000 copies have been reprinted since 1978, as against 100,000 before 1966.

Li, who spent four years helping Pu Yi write the book, said: "It was a pity that much of the data and notes were lost during the 10 disastrous years. But I am quite confident of the film's success as everyone in the production group works hard with a serious attitude."

Actors and actresses have not yet been chosen, but it has been decided that they will be selected from various countries. Pu Yi will be played by several actors.

PARTY, STATE DELEGATION TO VISIT ALGERIA

OW240858 Beijing XINHUA in English 0843 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- A Chinese party and government delegation led by Xi Zhongxun will go to Algiers to attend the celebrations of the 30th anniversary of the Algerian Revolution of November 1. This was announced by a Chinese Foreign Ministry spokesman here this afternoon.

Xi Zhongxun is a member of the Political Bureau and Secretariat of the Central Committee of the Chinese Communist Party. The spokesman also said that a government delegation from Ghana led by Retired Captain Kojo Tsikata, special advisor to the provisional National Defense Committee of the Republic of Ghana, will come to China November 2 on an official goodwill visit at the invitation of the Chinese Government.

WAN LI MEETS ETHIOPIANS ON STOPOVER IN PRC

OW241208 Beijing XINHUA in English 1157 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Chinese Vice-Premier Wan Li exchanged views on city construction and management with two Ethiopian officials here today. Mayor of Addis Ababa Zewde Teklu and executive member of the City Council Getachew Mariam arrived here yesterday on their way to Osaka, Japan, to attend an international metropolitan conference.

LI PENG AT ZAMBIAN INDEPENDENCE RECEPTION

OW241236 Beijing XINHUA in English 1226 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Zambian Ambassador to China M. Mainza Chona and Mrs Y. Mainza Chona gave a reception here this afternoon in celebration of the 20th independence anniversary of the Republic of Zambia. Among those present were Vice-Premier Li Peng, Minister of Textile Industry Wu Wenying and Minister of Communications Qian Yongchang.

PRC TO AID CONSTRUCTION OF ZAMBIAN PROJECT

OW241824 Beijing XINHUA in English 1442 GMT 24 Oct 84

[Text] Lusaka, October 24 (XINHUA) -- Zambian President Kenneth Kaunda this morning laid the foundation stone for the United National Independence Party (UNIP) headquarters which will be built by Chinese experts under a contract agreement. The construction project is one of the programs of the Zambian Government to mark the 26th anniversary of the founding of UNIP.

Speaking on the occasion, Kaunda said Zambia invited China to help the Zambian people construct party headquarters buildings because China had helped them a lot. "China is indeed our all-weather friend," he noted. Speaking earlier, Chinese Ambassador Zhang Junhua said the delegation by the Central Committee of UNIP to invite China to participate in the construction of this important project "once again demonstrates the profound friendship between China and Zambia."

According to an agreement signed between China and Zambia in late May this year, the new party headquarters includes a 16-story main building, conference and banquet halls, a political museum, youth and women's wings of UNIP and other facilities. With a total floor space of 56,000 square meters, the buildings will be completed in about four years.

LIBYAN PEOPLE'S BUREAU SECRETARY APPOINTED

OW230847 Beijing XINHUA in English 0825 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- New Secretary of the People's Committee of the People's Bureau of the Socialist People's Libyan Arab Jamahiriya to China 'Abd al-Hamid al-Zintani presented his note of appointment from the Bureau of External Relations of Libya to Zhou Jue, Chinese assistant foreign minister, here this morning. Al-Zintani arrived in Beijing on October 8.

BURHAN SHAHIDI MEETS WITH MOROCCAN DELEGATION

OW241848 Beijing XINHUA in English 1435 GMT 24 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Burhan Shahidi, vice-president of the National Committee of the Chinese People's Political Consultative Conference and honorary president of the China Islamic Association, met here this afternoon with a delegation from the Moroccan Ministry of Religious Trusts and Religious Affairs, led by Ministry Secretary General Mohamed Mrabet. They had a cordial talk.

IRAQ'S HUSAYN RECEIVES PRC AMBASSADOR HOU YUFENG

OW221554 Beijing XINHUA in English 1501 GMT 22 Oct 84

[Text] Baghdad, October 22 (XINHUA) -- Iraqi President Saddam Husayn received Chinese Ambassador Hou Yufeng this morning and spoke highly of China's economic progress.

He said, "We have been following closely the economic development in China and heartily rejoice at the economic achievements China has made." He stressed that the Arab nation and the Third World as a whole will benefit from China's advancement.

Husayn also expressed his satisfaction with Sino-Iraqi relations in various fields, saying, "Both countries wish to further such relations so as to make them a new model of cooperation between China and Arab countries as well as other Third World countries."

U.S. 'OCCUPATION,' INFLUENCE IN GRENADA NOTED

OW242102 Beijing XINHUA Domestic Service in Chinese 1443 GMT 24 Oct 84

["Roundup: Grenada Remains a Country Occupied by Foreign Troops" by reporter Hao Fusheng -- XINHUA headline]

[Text] Georgetown, 24 Oct (XINHUA) -- A year after the U.S. invasion, Grenada today remains a country occupied by foreign troops.

At present, about 300 to 500 American troops and police symbolically dispatched by some Caribbean countries are still stationed in Grenada. The "Grenada Beach Hotel," the country's largest, has become the base camp for the American troops. The Point Salines International Airport, which was built with Cuban assistance a year ago, is now under the control of the U.S. troops. Before the U.S. invasion, President Reagan repeatedly charged that the Soviet Union and Cuba would use the airport to transship weapons to Central America. Later, the accusation became a pretext for the American invasion. Now, U.S. troops patrol Grenada day and night on land and in the air. This island country's city traffic is also controlled mainly by foreign police.

Although it has been a year since the U.S. invasion and occupation of Grenada, Washington has given no indication of withdrawing its troops. This has aroused the Grenadian people's strong dissatisfaction. In St George's, the capital, slogans like "Yankee go home" have begun to appear in the streets and jobless youths have shouted abuse at American soldiers.

Under the foreign occupation, Grenada's provisional government has no right to speak out on major issues and has been incapable of doing anything to rehabilitate the economy. In the past, the cocoa, nutmeg, and bananas produced by this "spice island" earned 90 percent of its foreign exchange. Since the U.S. invasion, the production of these goods has dropped drastically and foreign exchange earnings have decreased. Many enterprises have been closed down, prices have gone up, and the people's living standards have gone down. The unemployment rate was 12 percent before the invasion and rose to some 40 percent after the invasion. Although the United States promised \$57 million in aid to Grenada after the invasion, the aid did not solve the island country's aggravated economic problems.

Recently Grenadian Governor General Paul Scoon announced a general election for 3 December. People who are concerned with the situation in Grenada are paying close attention to the development of the new situation.

What also catches people's attention is that since the invasion of Grenada, the United States has been vigorously intensifying its control in the Caribbean region in various fields, especially in the military. According to reports, American military aid to the East Caribbean region suddenly increased from \$1.2 million in 1983 to \$7.4 million in 1984. After the invasion of Grenada, the United States gave an additional \$15 million in military aid to the region. The United States has also planned to send instructors and provide patrol boats to the Eastern Caribbean countries to help them set up coast guards. In the past year, the region has been planning to set up regional defense forces having a unified command headquarters with military training and equipment provided by the United States. A high-ranking official of Barbados said: The purpose of setting up the force is to stop Soviet "intrusion into these beautiful islands."

WU XUEQIAN AT RETURN BANQUET OF MEXICO'S SEPULVEDA

OW241730 Beijing XINHUA in English 1638 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Mexican Foreign Secretary Bernardo Sepulveda Amor and Mrs Sepulveda gave a return banquet here this evening. Among the guests were Wu Xueqian, state councillor and minister of foreign affairs, and Wang Wei, minister in charge of the State Family Planning Commission.

Both foreign ministers proposed toasts to the constant growth of the friendship between the two peoples. Mexican Ambassador to China Eugenio Anguiano was also present.

Sepulveda gave a press conference at the International Club here this afternoon. Mr and Mrs Sepulveda and their party will leave here tomorrow to tour Zhengzhou, Luoyang, Xian and Guangzhou.

FORMER MEXICAN PRESIDENT ENTERTAINED IN TIANJIN

SK250335 Tianjin City Service in Mandarin 0030 GMT 25 Oct 84

[Text] Accompanied by Xu Hanbing, vice president of the Chinese People's Institute of Foreign Affairs, Luis Echeverria Alvarez, former president of the United Mexican States, and his 4-member delegation visited Tianjin yesterday.

That day, Luis Echeverria Alvarez and his delegation visited the Yangliuqing New Year Picture Office and the Chinese Datong Pharmaceutical Corporation. They were warmly welcomed by the people wherever they went. That evening, Wu Zhen, acting mayor, met with and feted the Mexican guests. Both sides talked cordially amid a friendly atmosphere.

Luis Echeverria Alvarez and his delegation will continue to visit Tianjin today. After that, they will return to Beijing.

NEW PRC ENVOY TO PERU PRESENTS CREDENTIALS

OW241242 Beijing XINHUA in English 1231 GMT 24 Oct 84

[Text] Lima, October 23 (XINHUA) -- Newly-appointed Chinese Ambassador Extraordinary and Plenipotentiary to Peru Yang Mai presented his credentials to Peruvian President Fernando Belaunde here today.

The Peruvian president, while praising China for its economic achievements, especially in agriculture, said China has set an example to the whole world by its great efforts to ensure provisions for its one billion people and by its successes in meeting geographic and population challenges.

Yang Mai today also called on President of the Peruvian Council of Ministers Luis Percovich, who is also the country's foreign minister.

WANG ZHEN AT BANQUET MARKING KMT FOUNDER'S BIRTH

OW241916 Beijing XINHUA in English 1858 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee, said here today that the Chinese Communist Party attached great importance to cooperation with the Kuomintang during the periods of the northern expedition and anti-Japanese war.

These two cooperations enabled new development in the Chinese revolution, Wang Zhen added at a banquet hosted by the General Office of the National Committee of the Chinese People's Political Consultative Conference to commemorate the 110th anniversary of the birth of Huang Xing, one of the founders of the Kuomintang.

Huang Xing's family members and relatives attended.

Huang Xing was born in Changsha, Hunan Province, in 1874 and died of illness in 1916. He was well-known as one of the military leaders in the revolution of 1911 led by Dr Sun Yat-sen.

In his speech Wang Zhen described Huang Xing as an outstanding patriot and democratic revolutionary. He said Chinese Communists had always regarded revolutionary leaders of the Kuomintang and its predecessor, Tong Meng Hui (Chinese Revolutionary League), as forerunners and fully appraised their contributions to the 1911 revolution which overthrew China's last feudal dynasty and established the Republic of China.

Wang Zhen said the Chinese Communist Party had proposed that the Kuomintang and the Communist Party should realize a third cooperation beneficial to the completion of the reunification of the motherland. The Chinese Communist Party also declared that the decision of "two systems in one country" in the Hong Kong issue could also be applied to Taiwan. He expressed the hope that the Taiwan authorities would be obedient to the people's will on the issue of the reunification of the motherland. He also wished the compatriots in Taiwan, Hong Kong and Macao and Overseas Chinese would contribute to the reunification of the motherland.

Present at the banquet were Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, and Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress. Dr. Sun Yat-sen's granddaughter also attended. Cheng Zihua, vice-chairman of the National Committee of the CPPCC, presided over the banquet. Also present were Miao Yuntai and Qu Wu, vice-chairman of the CPPCC National Committee, as well as leading members of the United Front Work Department of the CPC Central Committee, Revolutionary Committee of the Chinese Kuomintang and other organizations concerned.

DENG LIQUN SPEAKS AT READING AWARD MEETING

OW242324 Beijing XINHUA Domestic Service in Chinese 1535 GMT 23 Oct 84

[By reporter Zhao Wei]

[Excerpts] Beijing, 23 Oct (XINHUA) -- A meeting was held at the CPPCC auditorium in Beijing today to award winners of the 1984 knowledge contest, which was held to promote book-reading among workers so as to revitalize China. Deng Liqun, Hao Jianxiu, Wang Shoudao and other leading comrades presented citations to representatives of 65 individuals and collectives who won "Special Outstanding Awards."

Deng Liqun spoke at the meeting. He congratulated the award winners and encouraged them to continue to study the current economic structural reform.

He said he hoped all workers who took part in the book-reading activities became activists in studying the documents of the 3d Plenary Session of the 12th CPC Central Committee and in reforming the economic structure.

Wu Weidian, a representative of the "Special Outstanding Award" winners, told of his reading experience at the meeting.

LI PENG CUTS RIBBON FOR ENVIRONMENTAL EXHIBITION

OW242176 Beijing XINHUA Domestic Service in Chinese 1457 GMT 23 Oct 84

[By reporter Zhang Jinsheng]

[Text] Beijing, 23 Oct (XINHUA) -- An "exhibition on the prevention and control of water pollution" opened at the National Building Materials Industry Exhibition Hall in Beijing on 23 October. Li Peng, State Council vice premier and concurrently chairman of the State Council Environmental Protection Committee, cut the ribbon at the opening ceremony.

The exhibition is sponsored by the State Council Environmental Protection Committee. A host of pictures and models displayed at the exhibition explain the composition, characteristics, exploitation, and utilization of China's water resources, as well as water consumption in industry, agriculture, and urban life. They also show the present quality of the water environment, including the water quality of China's main river systems, the surface water in cities, lakes, and reservoirs, and groundwater. They also give typical examples of the harm water pollution does to industrial and agricultural production, the ecological balance, and human health. The exhibition shows China's achievements in the prevention and control of water pollution and the protection of water resources as seen from water conservation, reduction of polluted water, innovation of technological process, control of the discharge of pollutants, and improvement of water quality.

Rui Xingwen, minister of urban and rural construction and environmental protection, presided over and spoke at the opening ceremony.

HUANG HUA VISITS VETERAN CADRES' ART EXHIBITION

OW250109 Beijing XINHUA Domestic Service in Chinese 0912 GMT 22 Oct 84

[By reporter Qin Jie]

[Text] An exhibition of calligraphy and paintings by veteran cadres of the Ministry of Culture opened at the Museum of Chinese History on 22 October.

The works of display consist of calligraphy, traditional Chinese paintings, and seal cutting. In all, there are 226 works on display. Lu Dingyi, Hu Juewen, Xu Deheng, and others have also sent their calligraphic works to the exhibition. Noted people in the cultural field have warmly offered assistance to the exhibition. Li Keran has changed several sketches before painting. Jiang Zhaohu sent a figure painting, which had never been exhibited before, with the caption: "Fallen flowers are not everlasting. They become soil to protect the flowers." Wu Zuoren's "Carrying the Plough to Snow Mountain" is a magnificently conceived, thought-provoking painting. The majority of works on display showed originality and consummate skill, and attracted many spectators.

Huang Hua, Zhu Muzhi, Zhou Weizhi, Xu Maijin, Xu Guangxiao, and hundreds of people in various fields visited the exhibition. It is jointly sponsored by the Culture Ministry's Veteran Cadres' Calligraphy Society and the Museum of Chinese History. The exhibition will end on 13 October.

RENMIN RIBAO ON MAKING LITERATURE, ART PROSPER

HK240819 Beijing RENMIN RIBAO in Chinese 22 Oct 84 p 7

[Commentator's article: "Be United and Go All Out To Make Literature and Art Prosper"]

[Text] Work energetically, achieve great unity, and promote great prosperity. These are remarks made recently by Comrade Hu Yaobang to comrades in literature and art circles at the fifth national representative assembly of writers and artists. It is hoped that all literature and art circles and comrades on all fronts will act accordingly in the new historical period. This call expresses the determination of the party Central Committee to carry on the four modernizations unswervingly and demonstrates the high aspirations cherished by the people for the four modernizations. All comrades in our literature and art circles should work hard to respond to the call of the times.

How do literature and art circles work energetically, unite as one, and promote prosperity? They should attach great importance to the general task and objective set by the party and state for the present period. Our country is living in a flourishing historic era. The most fundamental task during the socialist period is to develop the forces of production. All our work should be centered on the four modernizations and we should work hard for expansion of production and the building of socialist spiritual and material civilization. Literature and art in the new socialist period, as a component part of the building of socialist spiritual civilization, should be subject to and of service to the general task and objective set by the party and state and the four modernizations. This is the only center, which should by no means be disturbed, and there should not be any other center. Only by centering on this general objective and task will it be possible for us to consolidate and develop the flourishing situation on the literature and art front.

As long as we center on the general task and objective of the four modernizations and work for the four modernizations wholeheartedly, we will be able to arouse the enthusiasm of literature and art circles and able to bring the initiative and creativeness of literature and art workers into full play. The unity of our literature and art circles will be strengthened and the disunity which has been created for various reasons among literature and art workers will be ended at an early date. Meanwhile, there will be a more flourishing new situation in our literary and artistic creation and in our literature and art circles. Conversely, if we waver on the question which is related to the future of the state and the destiny of nation and related to the future and destiny of our literature and art work, there will be no enthusiasm, no unity, and no prosperity. We must, therefore, pay great attention to a question of such prime importance.

Literature and art work should be subject to and of service to the general objective and task of the party and state. This is an issue concerning the overall interests. While getting a clear understanding of the situation and setting the tasks, we should properly understand and handle the ideological struggle between two lines in the literature and art field. In leadership work of implementing policies on literature and art, at present we should pay special attention to overcoming and guarding against "leftist" influences. The crux of the question of literature and art workers being able to take an active part in serving socialist modernization lies in creating an atmosphere and climate favorable to the development of literature and art work and to bringing the initiative and creativeness of all literature and art workers into full play.

Since the 3d Plenary Session of the 11th CPC Central Committee and through our efforts to set things right and eliminate the "leftist" ideological influences which reigned in our literature and art circles for a long time in the past, particularly during the 10 years of turmoil, a large number of outstanding literary works and talented people have appeared like mushrooms and an unprecedented prosperous situation has emerged in our literature and art work in the new period. However, compared with the general objective of the four modernizations and with some fronts which have made mighty advances, we still have along way to go in developing literature and art, and making it prosper, in reforming the structure of literature and art work, and in implementing policies on intellectuals in departments in charge of literature and art work. This is an obstacle to further emancipation of the forces of production in literature and art circles. One of the weighty reasons is the "leftist" ideological influence and methods which reigned in our country for a long time in the past, and which became particularly wild in the 10 years of turmoil, and some other malpractices which still exist in the literature and art spheres in varying degrees, or even run rampant in some places. For this reason, the literature and art front should also pay particular attention to eliminating and guarding against "leftist" influences, while carrying out the party's policies on literature and art. Of course, everything has a dual character. In dealing with some erroneous tendencies which might appear in the ideological trend of literature and art, in literary and artistic creation, and in other areas, leaders of departments in charge of literature and art work should, on the one hand, be bold in carrying out persuasion and education through reasoning, and should not be weak and incompetent; on the other hand, they should firmly discard the previous malpractices of "taking class struggle as the key link" and "taking mass criticism as a principal method," and they should not do things in an oversimplified and crude way, bludgeon people indiscriminately, or arbitrarily slap political labels on people. Only in this way will be be able to straighten out problems concerning literature and art work so that all literature and art workers will have ease of mind and confidence and will dash forward in the flush of victory.

Our country is full of vigor and vitality. We believe that under the guidance of the spirit of the 3d Plenary Session of the 12th CPC Central Committee, our literature and art workers will surely further pluck up their courage, throw themselves into reform, be bold in blazing new trails, and create still more and better literary works so as to make greater contributions toward making our socialist literature and art flourish.

CHINA BUILDS FIRST ULTRALIGHT HELICOPTER

OW240100 Beijing in Mandarin to Southeast Asia and South Pacific 0900 GMT 17 Oct 84

[Text] The test flight of China's first ultralight helicopter was successfully conducted recently over the Tianjin Airport.

The helicopter, which weighs only 100 kilograms, can carry two passengers. It needs no runway, and can take off and land vertically, as well as hover. It can be used for agricultural surveying, photographing, and weather and other purposes.

(Dong Dawei) was the designer, builder, and test pilot of the helicopter.

PLA AIR FORCE REFORMING CADRE MANAGEMENT

OW242350 Beijing Domestic Service in Mandarin 1200 GMT 19 Oct 84

[Text] Resolutely implementing the directive from Deng Xiaoping, chairman of the Central Military Commission, that cadres must be awarded or punished, promoted or demoted in accordance with their work performance, the PLA Air Force CPC Committee had achieved marked results in reforming cadre management over the past year.

The Air Force CPC Committee's examination during the past year shows the absolute majority of newly promoted cadres are competent, and that only very few cadres are incompetent. Last September two army command-level cadres, who had failed to achieve any result in their work because of their lack of ability after having been in their posts for more than a year, were removed from office for incompetence after the Air Force CPC Committee submitted their case to the Central Military Commission for approval. One of them was demoted to a post at the deputy army commander level; the other one was ordered to study and would be assigned to work later. In addition, two aviation academy political commissars have also been relieved of posts because of their poor capabilities. Since the beginning of this year, Air Force units of all military regions have also demoted or removed from posts incompetent cadres at and below the regiment level in accordance with the Air Force CPC Committee's demand.

PLA UNITS SUPPORT SHENGLI OILFIELD CONSTRUCTION

OW231055 Beijing XINHUA Domestic Service in Chinese 0322 GMT 22 Oct 84

[By reporter Tan Daobo]

[Text] Jinan, 22 Oct (XINHUA) -- Over the past several days, commanders and fighters of the army, naval and air force units supporting the construction of the Shengli oilfield have plunged into the struggle to build the second Daqing. The whole work site is seething with activity.

In line with the party Central Committee and the Central Military Commission's directive, the three support contingents of the Jinan Military Region, the North Sea Fleet and the Air Force of the Jinan Military Region have marched into the oilfield to undertake the task of building highways, harbors and airports, erecting communications lines, and constructing other large projects. They have put up simply built work sheds, speedily opened up shortcuts in the saline-alkaline wilds so machinery can be taken there as soon as possible, and tried to be the first to break ground.

The highway building contingent consists of nearly 10,000 army commanders and fighters. They have pitched their camps one after another for 60 li on the work site. They start to work before dawn and do not rest till dusk each day. In the coastal area in northern Shandong it is already quite cold in autumn, but many workers wearing vests are still dripping with sweat while working. All regiments, battalions, and companies are launching emulation drives for higher speed and better quality. Sections of leveled, wide roadbed have now appeared in the wilderness. According to a leading comrade at the work site, every day each worker often completes earthwork two or three times more than his quota.

While the tide has ebbed, naval fighters supporting the construction of the oilfield drive trucks across the muddy brooks of the beach and erect facilities where the sea and land meet. Standing at the foundation of a future wharf, this reporter saw on the sea some 5 or 6 km away commanders and fighters of the marine engineer units racing against time to complete the final hydrogeological investigation of the harbor. According to the work plan, when winter comes they will work on the land and sea simultaneously to build a dike first.

Commanders and fighters of Air Force units of the Jinan Military Region are driving bulldozers and scrapers to and fro on the wasteland where wormwood and reeds luxuriate. They will build a modern airport here.

A leading comrade of the Shengli oilfield cheerfully told this reporter: From now on the Shengli oilfield will develop the petroleum industry as its principal task to spur on the development and construction in the area. In the near future many important projects need to be started. The support given by commanders and fighters of the Army, naval and Air Force units will greatly speed up the construction of these projects.

RESULTS OF STATE EXECUTIVE EXAMS RELEASED

OW121252 Beijing XINHUA in English 1212 GMT 12 Oct 84

[Text] Beijing, October 12 (XINHUA) -- Ninety-four percent of the first group of 9,019 business executives passed the state exams held last August, it was reported today.

The examinees were managers and directors of enterprises in industry, commerce, foreign trade, construction, transport, and posts and telecommunications, and they took exams covering both China's economic policies and management principles.

Altogether, 207 got grade 85 or above on the two subjects on a scale of 100. Passing grade was 60.

All managers and directors of state businesses are obliged to take the exams, according to a State Council decision. The exams are scheduled to be completed nationwide by the end of 1985. Personnel who decline to sit for the exams will be relieved of their posts, the guidance committee for state examinations of economic personnel says in a report distributed nationwide by the General Office of the State Council. Those who fail the exams can take make-up examinations only once. They will be removed from office if they fail again, the committee says.

This is part of China's efforts to raise managerial efficiency in state-owned enterprises.

HENAN HOSTS NATIONAL SYMPOSIUM ON ADMINISTRATION

HK220709 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 19 Oct 84

[Text] The first national symposium on the administration of industry and commerce ended in Zhengzhou yesterday [18 October].

Representatives participating in the meeting presented 76 academic papers and 36 comrades read their papers at the meeting. They probed into the problem of how to keep administration of industry and commerce in line with the vigorous development of the commodity economy under the new historical conditions, and the problem of integrating theory with practice in the course of restructuring the economy. In addition they also looked into and discussed 12 other problems, such as the establishment of administrative bureaus of industry and commerce, rural trade fairs, transportation for sales over long and short distance, trademarks and advertising, the individual economic sector, and laws and regulations of the socialist economy.

Attending the symposium were representatives from bureaus of industry and commerce of all provinces, cities, and autonomous regions and from nearly 20 universities and scientific research institutes. (Huang Keilong), deputy director of the State Industry and Commerce Administration, delivered a speech on reforming the administration of industry, delivered a speech on reforming the administration of industry and commerce and the problem of opening to the outside world.

CITIC SIGNS COOPERATION PACT WITH HENAN

OW241114 Beijing XINHUA in English 1046 GMT 24 Oct 84

[Text] Beijing, October 24 (XINHUA) -- An economic cooperation agreement was signed by the China International Trust and Investment Corporation (CITIC) and the Henan Provincial People's Government here today to promote economic development in the province.

According to the agreement, CITIC will cooperate with Henan in tourism, and the chemicals, building materials, light and textile, and food-processing industries, as well as mining and nonferrous metals smelting. Cooperation will be realised through joint venture, compensation trade, leasing and other forms, on the principle of mutual benefit. The projects for cooperation will be proposed by Henan.

CITIC, on the other hand, will organize foreign investments or make investments itself. Henan Province will pay back the principal and interest in products for export or in cash. CITIC will also locate customers for the province so that it can absorb foreign funds directly.

The 10-year agreement was signed by Rong Yiren, chairman of the Board of Directors of CITIC, and He Zhukang, governor of Henan Province.

A short time before, CITIC had signed similar agreements with the People's Governments of Heilongjiang and Jilin Provinces.

VICE ECONOMIC MINISTER HOLDS PRESS CONFERENCE

HK240852 Changsha Hunan Provincial Service in Mandarin 1100 GMT 20 Oct 84

[Excerpts] This morning, Zhu Rongji, vice minister of the State Economic Commission, who had made a special trip to Hunan to direct work, delivered a report on various issues such as opening to the outside world and rejuvenating Hunan to relevant leaders of the provincial consultation fair for economic and technological cooperation with foreign countries and to leaders of various delegations. After the report meeting, Vice Minister Zhu held a press conference at the Rongyuan guesthouse.

[Begin Zhu recording] I arrived in Changsha yesterday to attend the Hunan provincial consultation fair for economic and technological cooperation with foreign countries. I think the fair is a great success. On the one hand, we can explain Hunan's economic features to the outside world and express our willingness to develop economic and technological cooperation with the outside world. On the other hand, in the development of Hunan's economic and technological cooperation with the outside world, this fair also provides a good opportunity for us to study and to train ourselves. I shall only make three points:

First, it is necessary to bring into full play our strong points, to steer clear of our weaknesses, and to make the most of our advantages in Hunan. Hunan has attained great successes in agriculture in recent years. We have much grain. The question now is how we should proceed from this basis and develop more satisfactorily the textile and other light industries, the food industry, and the fodder industry in order to improve Hunan's industrial base and to attain better economic results.

Second, Hunan is weak in energy supply and transport facilities. Therefore, when considering the problem of importing technology and transforming the existing enterprises, we should pay attention to technological service, centering on energy conservation.
[passage indistinct]

Efforts should be made to reduce energy and raw material consumption and freight volume in order to overcome this weak link. [passage indistinct] Only in this way can we develop new things. We should make greater efforts to develop the technology-intensive industry and refrain from developing, or develop only a small number of, enterprises which consume a lot of energy. [passage indistinct]

Third, efforts should be made to create conditions for opening to the outside world. It is necessary to vigorously develop our infrastructure, service trade, and local industries. It is necessary to import some management technology and to develop consultant, information, and other service trades. In this way we can open to the outside world more satisfactorily.

STATE COUNCIL APPROVES DALIAN'S REFORM PROJECT

OW250224 Beijing XINHUA Domestic Service in Chinese 0009 GMT 23 Oct 84

[By reporter Zhuo Peirong]

[Text] Beijing, 23 Oct (XINHUA) -- In a letter to the Dalian Municipal People's Government, the State Council's Scientific and Technological Affairs leading group approved the Dalian Municipal People's Government's experimental project of restructuring the city's scientific and technological structures. Overall structural reform may be carried out along with the city's reform of its economic structure.

Following the rapid development of economic reform in Dalian, the need for scientific and technological expertise has become increasingly pressing in various fields of economic construction. The old scientific and technological institution, however, has seriously obstructed the integration of science and technology with economic construction. To solve the problem, Dalian, in addition to encouraging scientific and technological departments to serve economic construction, has worked out certain essential economic policies to encourage economic departments to rely more on scientific and technological know-how.

The experimental project consists of these four major aspects:

1. The expenses of the city's scientific and technological research units engaged in development and dissemination of technological know-how, which are now defrayed by operating budgets, will henceforth be supported by revenue earned from their services. The units' decisionmaking authority will be expanded. Units that have become totally independent financially will transfer their personnel management, financial and planning authority to various research institutes where administrative responsibilities shall be borne by their directors. The institutes will also enjoy preferential tax treatment. Such measures are meant to increase the pressure on scientific and technological units to serve economic departments so that they will act more dynamically and energetically in competing with each other for better technological and economic results, thus hastening their development and reorganization, or they will be replaced.

2. The city's scientific research organs engaged in development and dissemination of technological know-how will be consolidated and reorganized. In accordance with those organs' projects, specializations and capabilities, most of them will be reorganized to become large enterprises, technical and development departments, or technical development centers of various trades, or scientific research enterprises. Scientific research units will be encouraged to form all types of associations with the production units so that there will be scientific research and production associations for all trades, departments, and regions. Scientific and technological structure that is in keeping with the rural areas' economic development will also be established in the countryside.

3. The distribution of the city's primary and secondary schools, vocational schools and schools of higher education, as well as the distribution of scientists and technicians will be readjusted, investment in the development of intellectual resources will be increased, and rational flow of qualified personnel will be organized so that closer ties will be promoted among institutes of higher education and units engaged in scientific research and production.

4. All enterprises' technological standards and economic performance will be strictly assessed. The results of the assessment will have direct bearing on the interests of the enterprises and their staff members and workers. Measures to increase the depreciation rates of fixed assets will be tried so as to encourage their enterprises to transform themselves with new technology.

The State Council's scientific and technological affairs leading group also pointed out in its reply that restructuring the scientific and technological structure in Dalian, a city newly designated to open to the outside world and a city with a sound economic and scientific and technological groundwork, is significant in boosting its scientific, technological and economic development, in giving scope to its exemplary role in importing advanced foreign technology and modern management, and in opening to the outside world, as well as in exploring a path for other big cities in restructuring their scientific and technological setups. It is hoped that Dalian will work courageously to bring forth new ideas in the course of its experiment, constantly sum up its experiences, and carry out its experiment successfully in a down-to-earth manner.

ANHUI OFFICE IN XIZANG BEGINS OPERATIONS

OW250537 Hefei Anhui Provincial Service in Mandarin 1100 GMT 19 Oct 84

[Text] According to the ANHUI RIBAO, Anhui has set up an office in Xizang, in accordance with an agreement reached between the People's Governments of Anhui and the Xizang Autonomous Region, and the office has started operations in Lhasa.

In the course of implementing the central authorities' policy of opening to the outside world and enlivening the domestic economy, over 3,000 people in Feidong and other counties and cities in Anhui have departed for Xizang to take part in construction and other production projects there. Many are working on various construction projects they have contracted in Lhasa, Nagqu, Shannan, Xigaze, and other localities in Xizang. Because of their efficiency and the good job they have done in completing their construction projects, some construction teams have been received and commended by principal leading members of the Xizang Autonomous Regional Party Committee and People's Government.

To give fuller scope to the role of the construction workers from Anhui, to promote more effective support for Xizang's construction, to further promote economic cooperation between Anhui and Xizang, and to lead Anhui's construction workers in Xizang more effectively, the Anhui Provincial Office in Xizang was set up last September in accordance with an agreement reached between the leading comrades of the People's Governments of Anhui and Xizang Autonomous Region last August. According to XIZANG RIBAO, this is the first office ever set up in Lhasa by another province.

The main tasks of this office, which is under the administration of the Anhui Construction Department, include: Organizing construction workers to take part in construction in Xizang, coordinating with departments concerned in Xizang on various contractual projects, settling problems arising from accomplishing the contracted projects, exercising unified control -- political and ideological -- over Anhui's construction workers in Xizang, providing them the necessary service they need in production and daily life, and, on the basis of accomplishing various contracted projects, actively exploring various other channels of production and cooperation.

'ASIAN GAMES TOWN' TO BE BUILT NEAR BEIJING

OW250740 Beijing XINHUA in English 0720 GMT 25 Oct 84

[Text] Beijing, October 25 (XINHUA) -- An "Asian games town" covering a total of more than 180 hectares will be built around Tucheng, in the northern outskirts of Beijing, the capital newspaper "BEIJING DAILY" reported today.

The 11th Asian games in 1990 will be held in the "Asian games town", which can also be used for daily sports activities and Beijing's tourist industry. In accordance with the planning of the town, it includes two parts -- the state sports complex and an Asian games village. About a total of 20 big and medium-sized stadiums, big, medium and small gymnasiums and other sports facilities are included in the complex which can accommodate the Asian games with over 20 events including track and field, swimming, soccer, gymnastics, table tennis, tennis, handball, field hockey, badminton, basketball, softball, cycling, boxing, fencing, judo, rowing, canoeing, shooting, weightlifting, wrestling, windsurfing and archery.

The Asian games village will include a convention center, multiple-use training halls, a theatre, restaurants, clubs, recreational centers, shops, a bank and bars. In order to build the "Asian games town", Chinese designers and builders have made study tours in the United States, Japan, Canada and other countries.

GUANGMING RIBAO ON ENTERPRISE INDEPENDENCE

HK250603 Beijing GUANGMING RIBAO in Chinese 14 Oct 84 p 3

[Article by Ma Bin: "A Tentative Discussion on the Theoretical Basis of the Relative Independence of Enterprises Under Whole-People Ownership"]

[Text] The correct handling of the relationship between the state and enterprises is an important question in the urban economic reform. In order to solve this question correctly, it is of great significance to seriously study and probe the theoretical basis for the relative independence of enterprises under whole-people ownership.

As we know, relations of production are finally determined by the character of forces of production. The relative independence of enterprises under socialist whole-people ownership constitutes an important part of socialist relations of production and, in the final analysis, is also determined by the character of the forces of production. This can be approached in two aspects: First, the socialized production in socialism not only determines the socialist public ownership system and the centralized management of the economy, but also requires a certain degree of independence of enterprises, as basic units of production, in the management of their own production. Second, the developmental level of the forces of production in socialism determines that significant differences remain between the work of various laborers and between their individual material interests. As the work and material interests of a laborer are realized through an enterprise, this determines that the enterprise must have its independent economic interests on behalf of its workers and staff members.

Here, we can first view the relationship between the socialization of production and the independence of enterprises. Under the conditions of socialized mass production, as a grassroots unit of the entire economic entity, an enterprise has to concretely organize the means of labor, the subjects of labor, and the laborers in the production of specific products. At the same time, the enterprise has to cooperate closely with other departments and units in production and circulation.

For example, the enterprise must depend on other units to obtain supplies of raw materials, energy, and equipment, must rely on the scientific and educational units to produce new technology and technical personnel, must rely on transport departments to deliver its products, must rely on commercial departments to sell its goods, must turn to a bank for loans and for settling accounts, and must make use of public utilities, medical services, and services provided by service trades to realize the public and personal consumption by its workers and staff members and to preserve their health. This reflects the interdependent relations between various enterprises which cooperate with each other in the division of work. The large aspects of their relations can be regulated through centralized planning, and this is an objective requirement of socialized mass production. However, their relations are extremely complicated and subtle, and also change frequently and quickly. So, it is impossible for each tiny part of these matters to be subject to the regulation of state planning.

The enterprise is thus required to react sensitively to changes in all relevant economic units and sectors and to correctly and promptly direct and arrange its own production. For example, the supply of materials, the market demand, and the appearance of new technology often put new questions before an enterprise. If all matters, big or small, have to be handled by the state, this will just let good chances slip away and affect the normal operation of an enterprise. Moreover, as there are nearly 100,000 state-owned enterprises throughout the country, it is impossible for the state to have complete control of all links and aspects of the enterprises' activities, which are always changing. In the process of socialized mass production, the enterprises themselves possess fixed assets and labor forces of considerable size. A large-scale enterprise may have thousands, or tens of thousands, or even hundreds of thousands of employees; and a small or medium-sized enterprise may employ scores or even hundreds of workers. In an enterprise, a high degree of specialized division of work and close cooperation must be conducted between various plants, workshops, and working procedures, between production and circulation, and between the productive sections and the back-up sections. As a basic unit in the whole-people-owned economy, the enterprise should fulfill its task assigned by the state and should be responsible to the state. At the same time, the enterprise should, independently, make reasonable arrangements of its human, financial, and material resources in order to fulfill its production tasks. In the production process, the relations between various parts of the enterprise will not remain static and unchanging all the time; instead, all kinds of contradictions and problems will keep emerging in various links of the production process. This requires the enterprise to conduct flexible and prompt regulation and organization according to the principles laid down by the state, rather than sitting back and waiting for instructions from higher authorities.

Is it true that the larger in size and the more important an enterprise is, the less decisionmaking power should be left in its hands? A concrete analysis should be made on this issue. It is certain that the larger in size an enterprise is and the more important a position it holds in the national economy, the more necessary it is to subject its operation to the centralized management of the state. For example, railroad and postal services and production and investment in key industrial bases (petroleum and steel) should be subject to centralized compulsory plans; while ordinary enterprises should be allowed to freely arrange the production of small commodities and handle various service trades. However, under the premise of subjecting large-scale and important enterprises to the centralized leadership of the state, these enterprises should enjoy more and greater decisionmaking power in a wider scope than small and medium-sized enterprises, because they bear greater responsibilities to the state. For example, they should have more financial resources available and more room for activities on a large scale in order to conduct technological transformation, to develop intellectual resources, to transfer personnel, to employ labor, and to arrange staff welfare matters.

It is certain that these enterprises must comply strictly with state plans in matters of production orientation, profits or products delivery, major transformation projects, and investment in fixed assets; otherwise, the planned balance of the national economy would be disrupted and a disorderly situation would be brought about in the economy. However, as these enterprises are operating on a large scale and bearing heavy responsibilities, their decisionmaking powers in business management should also be accordingly large. If an enterprise which employs more than 10,000 people and contributes more than 100 million yuan of profits to the state has no power to decide on the importing of a machine, or to transform part of its equipment, or to appoint its cadres, or to raise the wages of some of its workers, how can the backbone role of this enterprise be brought into full play and be strengthened?

The independence of enterprises under socialist whole-people ownership is also related to their relatively independent economic interests. When approaching this issue, we should realize that the level of forces of production determines the differences in labor and in personal material interests of different laborers. Here it is essential for us to understand how the distribution of the means of subsistence for individuals is reflected in the economic interests of the enterprises and what determines the differences in economic interests between individuals and enterprises.

In essence, the economic interests of an enterprise are the collective interests of the workers of that enterprise, which are mainly reflected in the enterprise's production fund for the improvement of production conditions and the welfare fund for the improvement of the workers' livelihood. So the welfare fund directly represents part of the workers' interests. As far as the enterprise's fund for expanding production is concerned, it should be regarded as part of the state's interests, as it remains under ownership by the whole people rather than by the enterprise. However, the enterprise should have the power to decide on the use of this fund in the interests of its workers. The use of this fund should lead to the improvement of the workers' working conditions or to increases in the enterprise's profits, which in turn create conditions for improving the workers' welfare. Therefore, the enterprise's production fund is still closely related to the interests of the workers and should not be regarded merely as the state's interests.

The basic reason an enterprise represents certain independent interests of its workers lies in the fact that the forces of production under socialist conditions have not fully developed and the community is not affluent in all kinds of products. Therefore, it is still necessary to follow the principle of distribution according to work under the socialist system, and it is certain that differences continue to exist in people's incomes. Under the socialist public ownership system, all laborers jointly possess the means of production and share common material interests; on the other hand, their shares of consumer goods vary in size according to the quantity and quality of their work, so each of them has his personal material interests. However, when contributing their work to society and receiving remuneration for their work, the laborers do not deal directly with a social center; instead, all this is effected through a socialist enterprise, the basic economic unit. When contributing their work to society, the workers of an enterprise make joint efforts to produce a specific product. This is different from individual laborers who provide their products directly to society.

On the other hand, the workers do not draw their pay directly from the state; the remuneration for their work is given by the enterprise in which they work. After providing society with the products jointly produced by the workers, and obtaining a corresponding amount of income if society accepts these products, the enterprise will distribute the income among the workers according to their work, after making various deductions. The quantity and quality of the work of the workers are mainly reflected in their products, which they have jointly produced in an enterprise.

If the workers work hard to produce a large quantity of products, but the design of the products is outmoded and the products are not needed by society, the workers' work will become futile and void. So, the results of the workers' work are closely linked to the operation and management of the enterprise, and the interests of the workers are also closely tied to the business results of the enterprise as a whole. That is to say, the different personal interests of workers under socialist conditions are mainly reflected in the interests of the enterprises. An enterprise represents the interests of all its workers, and it is as a matter of course that the enterprise must proceed from the interests of its workers when handling its production and business. In order to seek and ensure its own interests, the enterprise must reasonably and promptly improve its technology and equipment, control its product quality, lower the cost of production, and promote the sales of its products. To do this, the enterprise must have certain decision-making power to dispose of its labor, financial, and material resources and to handle its production, supply, and marketing. If an enterprise had no independent material interests and was just an attachment to the state through "eating from the same big pot," then there would certainly be no need to give any decisionmaking power to the enterprise.

It is necessary to point out here that the independent material interests of enterprises must be relative and limited. It is on the basis of the socialist public ownership system that distribution according to work can be conducted among laborers. At the same time, an enterprise under the socialist whole-people ownership system is a basic unit of the united and socialized production system, so its independent interests must be subject to and dependent on the entire entity of the socialist whole-people ownership system. Therefore, its independence can only be relative.

PAPER COMMEMORATES ANNIVERSARY OF ZHONGGUO NONGCUN

HK221353 Beijing GUANGMING RIBAO in Chinese 6 Oct 84 p 3

[Article by Xue Maqiao and Qian Junrui: "A Beam of Light in the Darkness of an Endless Night -- Commemorating the 50th Anniversary of the Publication of ZHONGGUO NONGCUN"]

[Text] ZHONGGUO NONGCUN [RURAL CHINA] was first published 50 years ago on October 10, 1934. These 50 years have been earth-shattering ones for the Chinese people. When ZHONGGUO NONGCUN was published, the Japanese imperialists were occupying the northeast and north China while the KMT was not fighting the Japanese, but instead was opposing the communists with all its might. As a result of the "leftist" opportunist errors of Wang Ming, our party was forced to begin the Long March and the village bases and the worker-peasant Red Army suffered 90 percent losses while urban party organizations were almost completely destroyed. After the destruction, the communist soldiers in areas such as Shanghai, led only by the central authorities cultural committee, continued their arduous struggle under the names of such revolutionary groups as "Wenzong", "Zuolian", and "Shelian." Not only did they have difficulties circulating their secret magazines and newspapers, they were frequently closed down. However the white terror of the KMT was absolutely unable to keep the Chinese people silent! Many revolutionary youths both inside and outside the party continued to make use of their social contacts to public DAZHONG SENGHUO, DUSHU SHENGHUO, SHIJIE ZHISHI and other such advanced magazines and papers. ZHONGGUO NONGCUN was set up by the Chinese Rural Economic Research Committee. Beginning in 1929, the Central Research Institute (headed by Cai Yuanpei) and Comrade Chen Hansheng of the Social Sciences Research Institute together led Comrades Wang Yansheng, Zhang Jiafu, Qian Junrui, Qu Mingmiao, Jiang Qunchen, Zhang Xichang, Liu Ruisheng, and Liu Huaibo in carrying out rural economic investigation. Soon afterwards, Comrades Xue Muqiao and Sun Yefang joined in this work.

At that time, ruthless exploitation by the imperialist aggressors and feudal powers had resulted in rural economic bankruptcy, and the newly established national industry was breathing its last. The imperialists and many scholars, acting in the interests of the landlord capitalist classes, suggested all kinds of things, but their common goal was to avoid or evade talking about an anti-imperialist and anti-feudal revolution, and thus they attempted to lead the Chinese revolution astray. Among those they influenced most were the Trotskyists who pronounced that "China is a capitalist country and the Chinese revolution should be a proletariat socialist revolution," and the Rural Reformist Movement headed by Mr Liang Shuming (Rural Construction and Education for the People). They became useful tools for the KMT in their opposition to our party's program for an anti-imperialist and anti-feudal revolution. On the basis of a large amount of material from on-the-spot investigations we proved that China was still a semi-colonial and semi-feudal country and that the country needed an anti-imperialist and anti-feudal democratic revolution. We proved that, in order to restore the bankrupt economy, we had to oppose imperialist aggression and solve land problems and that reformism could not save the nation. Because our political views and activities were in opposition to the reactionary government of the KMT we were expelled from the Social Sciences Research Institute. In the summer of 1933, with the aim of continuing and developing our work, we, the above-mentioned comrades, organized the Chinese Rural Economic Research Committee together with comrades Wu Juenong, Sun Xiaocun, and Feng Hefa, all of whom enjoyed considerable prestige in society. In the summer of 1934, we met in Shanghai and decided to publish the monthly periodical ZHONGGUO NONGCUN with Xue Muqiao as editor-in-chief, guided by the theories of Marxism and the principles and policies of the party. We planned to make use of the large amounts of material from rural investigations to propagate the party's program for an anti-imperialist and anti-feudal democratic revolution, and after the party's 1 August manifesto, we also propagated the party's policy of a unified national front to resist the Japanese.

During the first two years of its publication, ZHONGGUO NONGCUN used the theories of Marxism as its weapon and analyzed the mutual relations in the various classes of China's economy as well as the effect of the imperialist invasion of these various classes, pointing out how the Chinese rural economy had gone bankrupt under the double exploitation of imperialism and feudal power. Just as Comrade Mao Zedong later pointed out, in his book entitled "The Chinese Revolution and the Chinese Communist Party," the imperialist aggressors ensured the development of commodity production in China, thus producing a new capitalist class, yet their ruthless exploitation ensured that the development of the capital of the Chinese people was severely limited. The crazed plundering of the Japanese imperialists in particular resulted in disaster for national capital. The imperialist plundering of the Chinese peasants resulted in a slight development for the rural commodity economy but it did not make China's rural economy develop into a capitalist economy, rather it forced the Chinese peasants into poverty and bankruptcy under the double exploitation of the imperialists and feudal powers. In the countryside the landlords, businessmen, and loan sharks were used as tools of the imperialists in their plundering of the Chinese peasants. The imperialists could only support the crumbling feudal powers in the countryside and on no account could they allow Chinese agriculture to take the road of capitalism.

At this time, American Professor Bu Kai of Jinling University, and some capitalist class economists contended that the reason the Chinese countryside had gone bankrupt was the backwardness of production technology and excessive decentralization of agricultural management. They said that labor productivity on large American farms which used agricultural machinery, was several tens of times higher than in China and that the only way to rescue the Chinese countryside from bankruptcy was to learn from capitalist countries.

They put all their efforts into development of the productive forces and didn't even discuss production relations, refusing to admit that the semi-colonial and semi-feudal relations of production which came into being as a result of the collaboration between imperialism and the feudal forces, were the fundamental cause of the bankruptcy of the Chinese countryside. Under this dual oppression, the Chinese peasants found continued simple reproduction very difficult, let alone expanded spheres of management and the use of agricultural machinery. The harshness of the land rents and the wild rampage of loan sharks meant that China's landlords were unable to regain their land. Thus there was an enormous amount of hired labor and a development towards capitalist management. On the other hand many management landlords rented out land in a decentralized way and exploited the peasants by means of rents and debts. The rich Chinese peasants did not want to expand their spheres of management and develop into peasant capitalists, rather they rented out land and extended high interest loans and thus became semi-feudal rich peasants. The "panacea" for saving the rural economy from bankruptcy, proposed by the imperialists and the capitalist scholars, was nothing more than a hoax to deceive the peasants and some of the intellectual youth.

Some groups and magazines in China which were influenced by Trotskyism, announced that China had already developed into a capitalist country, basing their argument on the fact that China was at that point developing a commodity economy, and what was more, commodity exchange had already appeared in the countryside. Thus, they said, there was no longer a need for an anti-imperialist and anti-feudal democratic revolution and they slandered the worker-peasant Red Army, calling it "mountain gully Marxism". On the basis of a large amount of investigative material, ZHONGGUO NONGCUN proved that among the mass of villages and rural areas in China, a major class opposition still basically existed between the landlords and the peasants and that what the Chinese peasants were suffering under was feudal exploitation rather than capitalist exploitation. The imperialists were providing support for the feudal landlords and used the trinity of landlords, businessmen, and loan sharks as their agents, on no account permitting the development of capitalism in the Chinese countryside.

The imperialist aggression not only united the landlords in their exploitation of the peasants, it also suppressed the Chinese national bourgeoisie and, after the 18 September incident in particular, the crazed plundering by the Japanese imperialists brought national capital to its final breath. In view of this situation, rejection of an anti-imperialist and anti-feudal democratic revolution and indulgent talk of a "proletariat socialist revolution" was simply a betrayal of the revolution and could only lead China on the road to national disaster.

The Rural Construction Movement led by Mr Liang Shuming attempted to carry out rural construction by relying on the warlords while not violating the rule of the landlord class. Their organization of the peasants and the education they gave them did not weaken the rule of the warlords and the landlord classes, rather it only served to strengthen their determination to save their country from economic bankruptcy. The People's Education Movement, led by Mr Yan Yangchu, believed that the reasons behind the rural bankruptcy were the "poverty, ignorance selfishness, and weakness" of the Chinese peasants and thus they proposed education as the way to save the country, hoping that the imperialists would help save the rural areas from economic bankruptcy. The KMT rulers attempted to use this reformist movement to their advantage in the hope that young intellectuals would abandon the revolutionary road and would turn towards reformist groups. ZHONGGUO NONGCUN criticized the Rural Reformist Movement with the result that the young people in these groups grew alarmed and worried. They could not seek shelter in the worker-peasant Red Army (at this time the Red Army was on the Long March), nor did they want to return to the "cosiness" of urban life.

It was at this moment that we raised the party's call for the unified national front against the Japanese and organized rural workers into a front to resist the Japanese. The result of this was that many young patriots in the Rural Reformist groups began to write letters and articles to ZHONGGUO NONGCUN, upholding our proposition and requesting that they might join the Rural Economic Research Committee and various national salvation groups and thus work towards saving the nation.

During the outbreak of the war of resistance against the Japanese, ZHONGGUO NONGCUN called upon young urban intellectuals to go to the countryside to carry out propaganda work to encourage people to resist the Japanese and save the nation, to teach the peasants, organize the peasants, arm the peasants, and protect the motherland. After the outbreak on 13 August of the war of resistance against the Japanese, ZHONGGUO NONGCUN moved inland to continue publication and organized and participated in activities to resist the Japanese and save the nation in Nanchang, Changsha, and Wuhan. In 1938, many of the core members of ZHONGGUO NONGCUN hurried to the front lines of resistance against the Japanese, while Comrades Qian Jiaju, Zhang Xichang, Jian Qunchen, and Qin Liufang remained in Guilin, Chongqing, and other places to continue publication of ZHONGGUO NONGCUN until the summer of 1943 when KMT reactionaries ordered publication to stop. After this, in 1945, we still published a ZHONGGUO NONGCUN supplement in Chongqing's SHANGWU RIBAO and from 1946 to 1947 in Shanghai's WEN HUI BAO, edited by Comrade Wang Yinsheng. After the victory of the war of resistance against the Japanese, the Chinese Rural Economic Research Committee returned to Shanghai, and Comrades Wu Juenong, Sun Xiaocun, Wan Yinsheng, Zhang Zichang, Qi Liufang, Sun Xiaocun, Wan Yinsheng, Zhang Xichang, Qi Liufang, and Feng Hefa met regularly and joined the Federation of Shanghai People's League, organizing democratic movements to oppose civil war and starvation, and to criticize the fallacies of Dong Shijin of the Chinese Peasants Party concerning opposition to land reforms, working hard together for the day when liberation would come.

The members of the Chinese Rural Economic Research Committee not only studied rural economic problems, but from 1934 to 1937, they also organized the Chinese Economic Information Center and the Cultural Materials Supply Center in Shanghai, run by Comrades Qian Junrui and Jian Qunchen. In the "Chinese Economic Information" supplement of the ZHONGHUO RIBAO and in other publications such as the ZHONGSHAN WENHUA JIAOYUGUAN JIKAN, a monthly publication, they published many economic articles covering a wide range of topics as well as several collections of articles on the Chinese economy and the 1935 and 1936 "Annual Report on the Chinese Economy." These articles and annual reports not only enjoyed wide circulation in China, they were also translated into Japanese and published in Japan by some advanced people (including members of the Japanese Communist Party). "General Knowledge About the Chinese Rural Economy" edited by Xue Muqiao in 1936 (the entire contents of which was printed in serial form in ZHONGGUO NONGCUN was published by the "Xinzhi Shudian" [New Knowledge Shop] which we set up in 1936 (managed by Comrade Xu Xuehan). This was quickly translated into Japanese and published in Japan. In addition, Qian Junrui's "Zhongguo Quofang Jingji Jianshe" [Chinese National Defense and Economic Construction] and "How To Study Chinese Economics" were also published. Because at that time we were publishing so many influential economic articles, when the Cultural Revolution arrived they were all slandered as being "economic black threads" of the 1930's under the leadership of Comrade Liu Shaoqi and they were also ranked together with the "artistic black threads" of the Zuolian. However, at that time we did not even know Comrade Liu Shaoqi, although some of our groups were then indeed under the leadership of the Shanghai party's cultural committee and the leader of the literary committee was Qian Junrui. In Changsha, Wuhan, Guilin, Chongqing, and later, after the victory over the Japanese, in Shanghai, our work was always done under the guidance and leadership of the party.

In 1942, when Xue Muqiao was taking part in the rectification of incorrect styles of work in northern Jiangsu he did write a letter to Comrade Liu Shaoqi, informing him that we were publishing ZHONGGUO NONGCUN in Shanghai, criticizing the Rural Reformist Movement, and advocating an alliance with the reformist groups to resist the Japanese. He also discussed the possibility of making use of the reformist call in the white area, and other such questions. Despite his burden of work, Comrade Liu Shaoqi answered Comrade Xue Muqiao with a fairly long letter (this letter has been published in the "Collection of ZHONGGUO NONGCUN Articles") and in addition to approving our work, he also gave us some concise instructions about how to make accurate use of the reformist call under various kinds of conditions. The spirit of these instructions appeared in the JOURNAL OF THE CHINESE RURAL ECONOMIC RESEARCH COMMITTEE based in Guilin, as a result of a letter which Xue Muqiao sent the journal, and thus it was circulated among all members. This is the major reason why we were seen as Comrade Liu Shaoqi's "reactionary gang."

After the founding of New China many of the backbone members of the Chinese Rural Economic Research Committee assumed important work positions in various bodies and organizations and were thus unable to sacrifice much of their time to researching questions and problems relating to the rural economy. Thus in the spring of 1950, the Chinese Rural Economic Research Committee announced that it was disbanding and it was no longer vital that ZHONGGUO NONGCUN resume publication. During the 1950's, the People's Publishing House and the Sandian Shudian which incorporated the Xinzhi Shudian made several requests to publish "A Selection of ZHONGGUO NONGCUN Articles" but at that time we felt that the most pressing task was to research new questions related to New China and there was no further need to publish works relating to old China. During the Cultural Revolution, ZHONGGUO NONGCUN and many of our works were used as "black material" for burning. In addition to this, today's younger generation does not understand the hardships of old China and thus there is a need to provide them with a historical education. Thus, recently, "A Selection of ZHONGGUO NONGCUN Articles" with Comrade Feng Hefa in charge of the editorial work, has been published by the People's Publishing House and this is perhaps the best way to commemorate the 50th anniversary of the publication of ZHONGGUO NONGCUN.

The most important traits of the Chinese Rural Economic Research Committee and ZHONGGUO NONGCUN were their use of the weapon of Marxist theories under the guidance of the party, their thorough investigations and research, their close integration of contemporary trends and the reality of work, and their unswerving development of an effective struggle. As we commemorate the 50th anniversary of the publication of ZHONGGUO NONGCUN it is still worthwhile for comrades on the rural front and all other battle fronts to carry on and develop these traits.

WANG ZHEN PRAISES YOUTH PIONEERS IN BORDER AREAS

IK190901 Beijing RENMIN RIBAO in Chinese 14 Oct 84 p 4

[Article by Wang Zhen: "Youths, Be Pioneers in Opening Up the Motherland's Border Areas"]

[Text] While the whole nation was joyously celebrating the 35th anniversary of the founding of the PRC, ZHONGGUO QINGNIAN and nine other youth magazines and newspapers throughout the country jointly launched a drive to "award medals to outstanding young frontier workers." This is of great significance. As a veteran fighter who lived and worked in the northwest, northeast, Fujian, and Hainan border areas, I extend my warm holiday greetings with a feeling of longing and joy to the people of all nationalities and youths who are working in various jobs in the motherland's vast border areas, and I am happy to say something about this drive.

Over the past 35 years, although our country has traversed a rough road, under the leadership of the CPC, the heroic people of all nationalities have, from beginning to end, opened up, built, and defended our border areas with an indomitable, dauntless spirit, thus writing a new chapter in the annals of this sleeping wilderness. In particular, a large number of young soldiers and group after group of young people with lofty ideals have gone from the hinterland of the country to border areas to fight in unison with the people of all nationalities there to build enterprises through arduous effort and with diligence and intelligence, and have watered every inch of our territory, thus making great contributions to the construction of border areas. Of the pioneers who went and settled in border areas at an early time and the young people who went and worked there later, a large number have become a backbone force composed of middle-aged cadres or a vital new force composed of youths who are in their prime. Growing together with New China, they have dedicated their youth, wisdom, and righteous ardor to opening up, building, and defending border areas, thus performing heroic and moving deeds while doing their ordinary but arduous jobs. They are motherland's border areas and deserve people's respect and honor. The drive to "award medals to outstanding young frontier workers" jointly launched by the 10 youth magazines and newspapers throughout the country is precisely an embodiment of the honor conferred by the party and the people on them.

Our motherland presently is forging ahead toward the glorious goal of building two civilizations and realizing the four modernizations. Border areas should also advance along with the rest of the country. In the course of rejuvenating China, as far as the promising young people of a generation with lofty ideals are concerned, the beautiful border areas of our motherland, which have a vast expanse of fertile land and abundant precious mineral deposits and natural resources, have a strong appeal and inspiration for them. Our border areas are a vast world where vast numbers of youths can bring their talents and skills into full play. The CPC Central Committee has called upon us to strive to open up the border areas, the great northwest, the great southwest, and all places where diligence and intelligence are needed, and has increasingly entrusted this historically difficult mission to the present-day Chinese youth. This is an extremely glorious but arduous task which needs the efforts of thousands upon thousands of youths to vie with each other to be pioneers and loyal outstanding sons and daughters of the motherland and to forge courageously ahead of the pace of the times with an indomitable spirit, rather than failing to accomplish the lofty mission and wasting their youth and life.

Impelled by lofty and sacred patriotism, numerous heroic sons and daughters of the nation have gloriously given up their lives for the bright future of the motherland in every corner of the land. Today, patriotism all the more impels our youths to foster lofty revolutionary ideals, to plunge into the mighty torrent of the present reform, and to do their part for the creation of a new situation in socialist modernization and the achievement of a long period of order and stability and of the prosperity of our border areas. I hope all our young people will become outstanding sons and daughters of the motherland and will study hard and understand the beautiful rivers and mountains, long history, splendid culture, glorious revolutionary traditions, and great national feeling of our motherland; acquire a profound understanding of her past, present, and future; familiarize themselves with the present condition, public feeling, and special features of the specific localities; and ardently love every inch of the motherland's territory.

As the outstanding sons and daughters of a new epoch, they should have a relatively high scientific and cultural level if they want to make more contributions to the modernization program. This is demanded by the new epoch. Culture, science and technology, and the use of intellectual resources are particularly indispensable to the development and construction of the motherland's border areas.

Large groups of college or university graduates who are determined to serve the needs of the motherland and to embark on the road of the four modernizations have willingly applied for jobs or accepted the jobs assigned by the organization in border areas and have willingly devoted their youth and knowledge to the construction of border areas and to the border people. They are pioneers in developing the intellectual resources of border areas and fully deserve the awarding of medals. I hope that, in the future, more qualified people of all types will go to support the construction of border areas and at the same time, I also hope that all young people in border areas will -- rather than waste their youth and life -- assiduously study and master modern scientific, technological, and cultural knowledge, including the world's most advanced scientific and technological achievements of the contemporary era; improve the cultural quality and intellectual composition of border areas; give better play to their intelligence and wisdom; and better develop potential resources in order to benefit the people and to build our border areas into a new, highly-civilized border area.

Through 35 years of plain living and hard struggle, tremendous victories have been won in our socialist construction, thus creating favorable conditions for the four modernizations. However, it must also be acknowledged that our cause is an arduous one and moreover, conditions in the border areas are still fairly difficult. To accomplish modernization, it is still necessary for the pioneers and defenders of the younger generation to inherit and develop the selfless and dauntless spirit of dedication which has been cultivated and formed beginning from the revolutionary war years, and the founding of the PRC to the construction period, to cultivate the moral character of plain living and hard struggle, and to possess the determination and willpower to bear hardships and stand hard work. Those who have managed to devote their energies and talents and make outstanding achievements in the places where they are most needed and conditions are hardest are worthy of the title of genuinely outstanding sons and daughters of the motherland. The youth of our time should have such boldness of vision and determination. Therefore, I hope that the vast numbers of young people living and working in border areas and the young people who are determined to dedicate themselves to the cause of border areas can brave hardships and obstacles with lofty sentiments and aspirations as pioneers and persistently and indomitably create a new life and make more outstanding achievements, with each vying with the other to be outstanding sons and daughters of the motherland's border areas and to win more shining medals. Striving for a glorious life in the process of making contributions for the magnificent cause of the motherland is the aspiration of the people and the youth throughout the country and is also my greatest expectation and wish as a veteran fighter.

In following it with interest and sincerity, I wish this significant drive success and hope I can greet our outstanding young frontier workers in Beijing next summer.

SHANDONG'S ZIBO CITY NEGATES CULTURAL REVOLUTION

SK241147 Jinan DAZHONG RIBAO in Chinese 11 Oct 84 p 1

[Excerpts] Recently, the Zibo City CPC Committee held an enlarged Standing Committee meeting. On the basis of continuing the study of party rectification documents and conducting collective comparison and examination, and in line with the conspicuous problems revealed in the "examination," the meeting laid bare many damages brought to Zibo by the "Great Cultural Revolution," took the lead in thoroughly negating the "Cultural Revolution," eliminating factionalism, and strengthening party spirit, and pledged to lead the people throughout the province in vigorously carrying out reform and pioneering the road of advance.

Last year, the Zibo City CPC Committee began to conduct party rectification on an experimental basis. This year, it continues to conduct party rectification and study party rectification documents. In the course of studying documents, the city CPC Committee has found that in some aspects the pernicious influence of the "Cultural Revolution" has not yet been thoroughly eliminated; quite a few comrades still have muddled ideas; and impurities in ideology, style, and organization still exist. Affected by factious ideas and emotions, some comrades often have factious reflections in terms of cadre restructuring, giving promotions, and recruiting party members. In some units, the lingering practices of the "Cultural Revolution" have often emerged, thus interfering with the current work.

The Standing Committee of the Zibo City CPC Committee is a newly-organized body. Those comrades who were transferred from outside places think that they have no factious problems because they did not participate in Zibo's "Cultural Revolution." Those comrades who had been subjected to persecution during the "Cultural Revolution" think that they have no factious problems because they had suffered hardships of factionalism. In sum, the idea that "I have nothing to do with the negation of the 'Great Cultural Revolution'" really exists among Standing Committee members.

In the course of studying party rectification documents, in line with the erroneous methods of "evaluating and selecting the people according to factions," the meeting's participants have wiped out the vestiges of factionalism, and fostered the criterion for appointments, that is, to appoint people on the basis of their merits. In the preceding stage a few cadres, having failed to shake off the influence of factionalism, were close to those who had protected them and held identical views with them, and drifted apart from those who had opposed them and held different views. These leading cadres even use factionalism to hamper the development of party members, the selection and promotion of cadres, and the elimination of the "three types of persons."

In the course of study, Standing Committee members have also examined their ideology in light of the lingering practices of the "Cultural Revolution." In the past, the strange situation of the people knowing about the content of a meeting before the closing of the meeting existed. Some people are fond of spreading rumors, and some like to inquire about rumors. In some units, small- and big-character posters have emerged at times, and have even been posted on the doors of the office of the CPC Committee. To counter this situation, Standing Committee members of the CPC Committee have taken the lead in examining whether they had the idea of anarchism and neglected organizational discipline, and pledged to set an example in wiping out the lingering practices of the "Cultural Revolution."

This enlarged Standing Committee meeting also made arrangements for conducting education in thoroughly negating the "Cultural Revolution" among party members and cadres in the city. The meeting stressed that leaders at all levels should take the lead in this work, adhere to positive education, eliminate the influence of the "Cultural Revolution," strengthen party spirit and unity, voluntarily maintain ideological and political unanimity with the CPC Central Committee, unite as one, and work hard to vitalize Zibo.

XINHUA ON GUANGXI FOREIGN INVESTMENT POLICIES

HK200606 Beijing XINHUA Hong Kong Service in Chinese 1246 GMT 18 Oct 84

[Report: "Beihai City in Guangxi Proclaims 10 Major Policies Regarding Preferential Treatment for Foreign Investors"]

[Text] Hong Kong, 18 Oct (XINHUA) -- In a press conference announcement here this afternoon, Jiang Pingqiu, director of the Economic Zone Development Office of Guangxi Zhuang Autonomous Region and head of the Guangxi delegation to Hong Kong for the development and building of the economy of Beihai, said that since the CPC Central Committee and the State Council's decision on Beihai City's opening to the world, the state has further relaxed restrictions on Beihai City's authority in the matter of examination and approval regarding the use of foreign capital and has allowed it further decisionmaking power in regard to marketing, taxation, the use of foreign funds, and so forth. He said that Beihai City will follow 10 major policies regarding preferential treatment for investment in Beihai by Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese, Chinese of foreign nationality, and foreign businessmen who start joint venture operations, cooperative operations, or independently financed enterprises (hereinafter all called foreign capital enterprises).

These 10 major policies regarding preferential treatment chiefly encompasses the following:

-- For foreign capital enterprises of a productive or non-productive nature in the 3 years prior to 1987, an enterprise income tax rate of 15 percent will be followed, and a reduction in the local tax or an exemption therefrom will be allowed. Subject to approval, productive enterprises having operated as joint ventures for a period of cooperation of more than 10 years are exempted from income tax in the first 2 years, starting from the first profitmaking year, and are allowed a 50-percent reduction in income tax in the following 3 years. Non-productive enterprises with a foreign investment of more than \$5 million and an operation period of more than 10 years can enjoy exemption from income tax in the first year, starting from the first profit-making year, and a 50-percent reduction in the second the third years, subject to application by the relevant enterprises and approval by the city tax organ. Where difficulties are encountered in paying unified industrial and commercial taxes in the 3 years following the start of production, the city People's Government can also study and approve an application for tax exemption.

-- The legitimate profits for businessmen from outside after income taxes; the wages of foreign workers, Overseas Chinese workers, and Hong Kong and Macao workers of foreign capital enterprises after personal income taxes; and other proper income can be remitted out of the country through the Beihai City Bank of China and exempted from the remittance tax in accordance with the rules in the Regulations on State Control of Foreign Exchange.

-- Production and mangement equipment, construction equipment, raw and other materials imported but not used to produce export products, components, parts, packing materials, and private transportation means -- as investment-related imports by foreign capital enterprises -- can enjoy exemption from customs duties and unified industrial and commercial import taxes.

-- Those foreign capital enterprises whose businessmen have provided advanced technology, know-how, and equipment, or whose products are in extremely short supply in the country, on the list of products to be imported, or among products not yet produced domestically, can have specified portion of their products sold in the country, subject to approval.

-- For foreign capital enterprises in Beihai City, preferential treatment in the form of the lowest rates and best terms is granted in regard to charges for the supply of labor or manpower in Beihai City, the duration of land use, charges for land use, and so forth within the prescribed state limits, depending on the conditions of the kind of business handled.

-- For enterprises invested in by Overseas Chinese Hong Kong and Macao compatriots, and Taiwan compatriots, still more favorable treatment will be granted inline with state stipulations, apart from the general preferential treatment enjoyed by them.

The Guangxi delegation for the development and building of the economy of Beihai, led by Jiang Pingqiu, arrived in Hong Kong on 16 October. Jiang Pingqiu, head of the delegation, said that the main purpose of the delegation's current visit to Hong Kong is to have broad contacts with Hong Kong friends in all circles, introduce relevant conditions, guidelines, and policies about the further opening of Beihai, and increase mutual understanding. At the same time, their purpose is to establish plans for using foreign capital and importing technical projects and to enter into talks and cooperation with Hong Kong friends in financial, economic, and industrial fields. He said that at present, the Guangxi Zhuang Autonomous Region and Beihai City are doing all they can to provide a good environment and the necessary conditions for investment in Beihai by various business groups in regard to manpower, material, financial, and other resources. What is to be done includes the repair and building of the Nanning-Fangcheng harbor railroad, the Beihai City airport, the microwave communications project linking Nanning and Beihai through Qinzhou, and the Hepu-Beihai high tension power transmission and transformation project, as well as the restructuring of highway traffic plans, the establishment of water supply facilities, and so forth. He added that Beihai City will use foreign capital on the basis of the principle of equality and mutual benefit, and will extensively enter into economic and technical cooperation with various business groups, giving full play to the superior features of Beihai City in regard to petroleum, construction materials (including quartz sand, gypsum, pottery clay, and so forth), ilmenite sand, aquatic products, hydroponics, marine resources, and so forth.

PART 3 OF LIU JIE'S HENAN INSPECTION COMMENTS

HK220833 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 12 Oct 84

[Excerpts] We are now broadcasting the third part of Comrade Liu Jie's rural investigation notes entitled "Readjust the Structure of the Rural Economy and Vigorously Develop Intensive Farming."

During his recent rural investigation, Comrade Liu Jie attached importance to the study of the structure of the rural economy. What is a rational structure of the rural economy? At present, when a great number of comrades talk about the development of the rural economy, they maintain that since we have developed grain and cotton production and planted more trees, the rural economic structure and overall arrangement of crop planting should be regarded as basically rational. However, when they talk about the issue of supply, they say that the prices of roasted chickens and vegetables are comparatively high. Comrade Liu Jie paid close attention to these problems wherever he visited. He guided the broad masses of cadres so that they would correctly understand that the rural economic structure should be adjusted further.

Since the 3d Plenary Session of the 11th CPC Central Committee, we have mainly devoted our efforts to the production of grain and cotton. Within a short period of 5 years or so, we have successfully solved the problem of supplying the masses with sufficient food and clothing, a problem which peasants strongly desired the solution of in the past. In the meantime, the rural economy has been developing unexpectedly fast. The progress of rural productive forces has constantly changed the mode of production and lifestyle of the masses. A number of traditions have been changed.

With the increase in the incomes of people in the urban and rural areas, consumption levels and structures have markedly changed. A variety of foods are needed in the urban areas, while foods in the rural areas are commercialized. Foods and beverages for households are now supplied by society, and more nourishing food is provided. These new requirements have been put forth gradually. Practice has proved that with the change the structure of social consumption, the broad masses of peasants do not simply eat what they plant. They want to eat meat, eggs, and fresh vegetables. However, we have not yet sufficiently taken into account the changes of consumption capability of the people in the urban and rural areas. The adjustment of the structure of the rural economy has not promptly caught up with the new demands. This is one of the important reasons why grain prices on rural market are low, and the prices of vegetables, meat, and eggs are high on the market.

Comrade Liu Jie said earnestly: Although we have been working for so many years, we have not yet solved the problem of vegetable supply for the masses. We feel quite ashamed of it. He added: Agriculture is a comprehensive science with many branches of learning. It is governed by both natural and economic laws. Mastering and utilizing these two sets of laws well to provide correct guidance is a key to promoting the healthy development of agriculture. In the past, it was right for us to stress that peasants must plant grain and cotton. But we failed to sufficiently consider the needs of and changes in the market. For example, this year peasants have reduced autumn grain acreage by more than 600 mu in order to plant more industrial crops. This has shown that the law of value is playing its role. This is not entirely a problem of natural law. To achieve better economic results, we should always pay attention to and conscientiously study the important problem of finding the best way to integrate these two laws effectively.

After listening to a report presented by leading comrades of Huaiyang County on the planting of day lilies, Comrade Liu Jie pointed out: To promote agriculture, we should follow new concepts. We should not think of grain, cotton, and edible oil alone. Besides producing grain, cotton, and edible oil, we should rationally readjust the structure of the rural economy in accordance with the demands and changes of the urban and rural markets so that the entire agricultural structure will be gradually rationalized. The so-called rational structure of rural economy means that we should keep abreast of market demand and satisfy the needs of the people in their daily life, so that we can achieve better results in the social economy and in production.

At present, we should produce products with distinctive local characteristics. For example, winter sweet fruit from Yanling is very famous, and we should plant it in great quantity. According to responsible comrades of the county, 1 mu of winter sweet trees can produce 6,000 pieces of winter sweet fruit. If the price of each winter sweet fruit is 50 yuan, we can get an income of 30,000 yuan per mu of winter sweet trees.

In a word, various localities should produce highly marketable, high quality products by taking advantage of their local characteristics. [words indistinct] In other words, each and every village should have its own particular products. Our purpose in developing specialized households and villages is to promote specialized and socialized commodity production.

On 6 September, we concluded our inspection tour in Fugou County, and proceeded to Taikang County. Once we entered the county, the county party secretary and county magistrate wanted us to have a look at their cotton fields. They said that their cotton was growing very well this year. With a smile on his face, Comrade Liu Jie held the hand of the county party secretary, saying: I do not want to inspect cotton fields this time. I want to have a look at your most recent specialty. I was told that you have done well in promoting production by making use of plastic greenhouses.

I would like to have a look at the plastic greenhouses first. Rain continued to pour. Comrade Liu Jie and responsible comrades of the prefecture and county braved the rain to go to Chengguan to inspect the specialized household farmland of Hou Wenyue, which is covered by plastic greenhouses. Since November last year, 218 mu of wasteland of a former tree farm of the commune has been contracted to him. He has hired more than 30 helpers. This year, he has planted melons and vegetables and raised tree saplings on the land. He makes use of the plastic greenhouses to carry out the production. More than 70 mu of tree saplings will come up this winter and next spring. He has received income of 120,000 yuan from melons and vegetables, with a net profit of 60,000 yuan.

After listening to a report presented by Comrade Hou Wenyue, Comrade Liu Jie greatly praised what he had done. In particular, when Comrade Hou Wenyue talked about his efforts to make use of solar energy, biological energy, and geothermal heat to build greenhouses, Comrade Liu Jie was particularly happy. He inspected that the plastic greenhouses in great detail together with Hou Wenyue, and praised him for his good job.

Zhoukou Prefecture has popularized the experience of making use of plastic greenhouses to carry out agricultural production. It is expected that about 20,000 plastic greenhouses will be built in the entire prefecture by the end of this year. A plastic greenhouse generally covers an area of 8 fen to 1 mu, and needs an investment of 800 to 1,000 yuan. The income derived from each plastic greenhouse in the same year is at least 3,000 yuan. The average income is generally 4,000 to 5,000 yuan. An intensive farming association has been set up in this prefecture, which puts forth a slogan of reaching a level of a comparatively well-off life by making full use of half a mu of land. Comrade Liu Jie praised this slogan, saying: Reaching a level of a comparatively well-off life by making full use of half a mu of land is no longer a dream, because it has come true now.

A cooperative run by an economic combine in the suburbs of Taikang has set up a vegetable company with a transport team. The start of a new season in Takang is generally more than 20 days earlier than the northeast. Profit can be made by making use of seasonal variations to transport vegetables from Taikang to the northeast. After deducting transport costs and consumption, a profit of 20 fen can be obtained by selling a jin of garlic bulbs. With regard to vegetable supply, there are two slack seasons and two peak periods every year. To solve the problem of the waste of vegetables in peak periods and insufficient supply in slack seasons, Fugou County has built cold storages to store vegetables. The county has made the following calculation: the per jin price of eggplants in peak periods is a 4 fen, whereas their price increase to at least 10 fen after storing them in cold storages for 1 month.

Comrade Liu Jie said: These methods are good. On the one hand, we should build more plastic sheds to plant melons, fruit, and vegetables. On the other hand, we should build more cold storages to store vegetables which have not been consumed during the peak periods. It is obvious that all these methods are feasible. All localities where conditions exist should learn from these experiences. If all localities can build plastic shed and cold storages, we can not only greatly increase the output of vegetables, but also solve the problem of insufficient vegetable supply during slack seasons. In the meantime, this is also a good method for some peasants to get rich. At present, they do not know how to get rich.

Comrade Liu Jie pointed out: Our major issue now is solving the problem of vegetable supply. This is an urgent desire in the medium and big cities as well as in rural areas. According to statistics, in 1978 about 769.73 million jin of vegetables were supplied to markets in (Luoshan) Township of Dengxian County. The amount increased to 1.28 billion jin 1983, an increase 350.27 million jin over 1978. However, the supplies were still insufficient. This is because of the population growth in cities and townships, and the increase of the consumption level in rural areas.

Apart from that, peasants often went to townships to buy vegetables as a result of the improvement of their living standards. Some people estimate that one-fifth of the vegetable output produced in Zhengzhou goes to the rural areas. In a number of localities, the price of vegetables in counties is higher than big cities. Vegetable prices in townships are higher than counties. Facts have shown us that traditional methods of grasping vegetable production, which only take into account the consumption of city residents without considering the consumption of peasants, no longer conform to the new development of the livelihood of the people in both urban and rural areas. To solve the problem of vegetable supply, merely taking stopgap measures is insufficient. We should develop vegetable production bases in the vast rural areas. Therefore, after this autumn various localities should conscientiously grasp this work. Intensive farming is not at all an expedient measure, but a direction of agricultural development. We should organize forces to strengthen study and exploration in this regard.

We should conscientiously study new problems, and the new methods for solving them. During our inspection tour in the rural areas, we found many problems which should be studied and solved. Some localities have paid attention to studying these problems. However, some other localities have not yet carried out conscientious investigations and studies for solving them. Some localities have put forth methods for solving these problems in light of local conditions, and conducted initial experiments. Some other localities have not yet done so, or even fear difficulties. In light of such realities, when Comrade Liu Jie met responsible comrades of the prefectures and counties concerned, he repeatedly pointed out: The rural economy is profoundly changing, and the structure of the rural economy is being gradually readjusted. This is a new stage of agricultural development following the implementation of the responsibility system. Therefore, we should conduct investigations and studies to work out new methods of solving many problems and situations which have come to or are coming to the fore in practice. He said: At present, peasants have better concepts of market, information, and management. Our cadres should enhance their ideological understanding, and learn methods for organizing and guiding commodity production in order to make the best use of the situation to promote commodity production. Through efforts exerted within a period of three or more years, the rural economy will certainly reach a new level.

HUBEI COMMENTATOR ON CARRYING OUT PLENUM REFORMS

HK240717 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Oct 84

[Station commentary: "Earnestly Studying the Decisions, Carrying Out Reforms in a Down-to-Earth Manner"]

[Text] The 3d Plenary Session of the 12th CPC Central Committee has far-reaching influence on the future of our country. The decisions made by the plenary session are a programmatic document which will guide the country's reform of its economic system. We should respond to the call of the plenary session, advance in the direction pointed out by the decisions, play an exemplary role in studying the decisions, and be promoters of reform.

The CPC Central Committee's decisions on the reform of the economic system present to us the magnificent blueprint of our economic system. In addition, they have clarified the series of major problems involved in the comprehensive reforms. In order to properly and successfully implement the decisions it is first necessary to properly study the document -- that is, to carefully study each paragraph and each line of the decisions in order to have an accurate understanding of the spirit and main points of the decisions and a thorough understanding of the decisions on the reforms and the theories underlying them. Only with such a background can we formulate effective measures on the basis of the circumstances in our units or localities.

The purpose of carrying out the reforms focused on the cities is to establish a socialist economic system with Chinese characteristics and exuberant vitality. This system is different from the fossilized patterns that existed in the past. It is also radically different from the capitalist system. The reforms constitute a complicated new cause. They affect millions of households and various professions. The decisions are rich in content and they have far-reaching influence.

We are confronted with many problems and new trials. We should stand in the forefront of the reforms. We must neither hesitate nor stick to the outmoded conventions. In addition, we must also not carry out the reforms carelessly.

In carrying out the reforms, we must emancipate our minds, remain sober-minded, and guide people carefully and patiently. Our attitude must be careful, our plans must be well-conceived, and our steps must be carefully taken. In short, it is necessary to implement the decisions on the basis of the principle of seeking truth from facts in a down-to-earth manner. Let us arm ourselves with the spirit of decisions and with the theories underlying them. Let us, with great confidence, contribute greater wisdom, plunge into the great cause which will contribute to the well-being of the coming generations, and make the reform of the economic system a complete success.

HUNAN EXHIBITS CRIMES OF FORMER FACTORY MANAGER

HK230420 [Editorial Report] Changsha Hunan Provincial Service in Mandarin at 1100 GMT on 19, 20, and 21 October broadcasts a three-part report on the exhibition on the crimes of Duan Yuanlai, former manager and deputy secretary of the CPC Committee of the Changde cigarette factory. Duan was exposed in an 8 January 1984 RENMIN RIBAO report on his crimes and was arrested by the Changde City Public Security Bureau the next day.

The radio at 1100 GMT on 19 October in a 4.5-minute report introduces the exhibition and its aims as follows: "In order to support education in totally negating the Cultural Revolution, the Changde cigarette factory is holding an exhibition on the crimes of Duan Yuanlai, the former manager and deputy secretary of the party committee of this factory." Station reporters recently visited the exhibition, the report states, "and beginning today, will make a series of reports on it in the station's provincial news hookup." The exhibition is being held in Duan's former residence in Changde, a "two-story Western house."

The reporters explain that in the first exhibit room, photos, material objects, and diagrams are displayed to show part of the criminal activities of Duan, who at the beginning of this year attempted to transfer some of his ill-gotten gains and escape the net of justice. According to an exhibit in the room, "Duan was detained by the public security organs in January 1968, but was set free in December 1969 with a verdict of not guilty, since no facts were ascertained after 2 years of investigations. After that he joined the CPC, and later became leader of the Changde cigarette factory. In 1978 some people accused him of rape, and the prefectural CPC Committee sent a work group to the factory to investigate the case, but it ended up with nothing definite. In 1981 the work group again entered the factory to make an investigation of his economic problems and the problem of disunity in the factory. However, instead of finding any problems, Duan was even praised as a hero. In 1982 he was made a so-called model worker who had rendered meritorious service.

"Last December the investigation group entered the factory for a fourth time. Having gained experience during the previous investigations, Duan vainly hoped that he could escape yet again." "On 8 January this year, RENMIN RIBAO carried a report 'Never Let Duan Ride Roughshod Over People Again' to expose his crimes. The next day he was arrested by the Changde City Public Security Bureau according to law."

The radio at 1100 GMT on 20 October carries the 5-minute Part Two on the exhibition, focusing on why Duan was first arrested 16 years ago. The reporters state that in September 1967, during a fight between the two factions in Changde, Duan gave the order to kill three people from the opposing faction that had been captured by his faction. In December 1967 the Military Control Commission of the Changde City Public Security, Procuratorial, and Judicial Departments placed this case on file for investigation, and on 28 January 1968 Duan was accused of deliberate murder and was detained in jail. However, "since two witnesses later changed their testimony," Duan was freed in December 1969 with a verdict of not guilty.

The report states: "The fact was at that time, since people were seriously indulging in factionalism, Duan, who flaunted the banner of supporting the Army, was highly appreciated by his leaders and the support-the-left military units. So the latter tried to help him out. Thus, according to the will of the leaders, those responsible for handling the case only received the evidence they needed to save Duan. Finally Duan was released." However, "those who had carried out his orders" were found guilty and were punished.

The reporters relate how Duan, a "typical person of the three categories," committed all sorts of evil deeds after the Cultural Revolution started, including planning, organizing, and commanding several large-scale battles, "in which dozens of innocent people were killed." "Facts have proved that he is an out-and-out murderer."

The radio at 1100 GMT on 21 October carries a 3-minute third and final installment on the exhibition. It describes two rooms in the exhibition where items are displayed which Duan received as bribes from 1976 to 1984. The items include television sets, radio-cassette players, sofa sets, wardrobes, double beds, clothes, wines, and so forth, amounting to more than 24,000 yuan. Also shown are examples of how Duan actually took the bribes.

SICHUAN HOLDS FORA ON ECONOMIC CONSTRUCTION

HK241501 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 21 Oct 84

[Text] According to SICHUAN RIBAO, since the communique and decisions of the 3d Plenary Session of the 12th CPC Central Committee were made known and published, the province's cadres and masses have been profoundly encouraged. They are unanimously of the opinion that the 3d Plenary Session of the 12th CPC Central Committee is an important meeting that the people of the province have looked forward to and paid close attention to for a long time. They express their resolute support for the decisions of the CPC Central Committee on the reform of the economic system. They resolve to take part in the reform with full confidence and great courage, to strive to score all-round victories in the structural reforms focused on the cities, and to strive to build a socialist economic system with exuberant vitality.

In Deyang City, party and government organs at all levels, mass organizations, and party members, cadres, and people from various professions have held one forum after another. The comrades of the study group under the city CPC Committee glowingly spoke of what they have learned from the study and of Deyang City's economic construction. From January to September this year, Deyang City was among the quickest in stepping up industrial and agricultural production. The economic situation is really excellent. They say it is necessary to further emancipate our minds and to stand in the forefront of the reforms. These reforms are centered on the urban reforms and their central purpose is to boost the vitality of the enterprises. It is also necessary to give play to the role of a key city and to make the reforms a complete success. Secretary (Zhang Renliang) of the city CPC Committee went to the Dongfang electrical machinery plant to study and hold a forum with the technical personnel and the workers. The Dongfang electrical machinery plant is one of Deyang's enterprises which have been devoted to the experiment with the system of putting factory directors in charge. The leaders of the plant have held discussions. During their discussion, Yan Rugao, manager of the plant, said with deep feeling: In the past, the enterprises ate from the same big pot of the state and the workers ate from the same big pot of the enterprises. As a result, the country was poverty-stricken and the workers were lazy. Enthusiasm was absent. The reform of the economic system is imperative.

They have decided to take the opportunity made available by the 3d Plenary Session of the 11th CPC Central Committee to further enliven the enterprise. In addition, the plant's party committee has adopted a resolution on earnestly studying and implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee.

At a forum, the leading comrades of the Standing Committee of the Luzhou City CPC Committee and of the Luzhou City People's Government said that they resolutely support the decisions made by the 3d Plenary Session of the 12th CPC Central Committee.

Secretary (Zhao Xiyao) of the city CPC Committee said: The decisions made by the plenary session on the reforms are a programmatic document on building socialism with Chinese characteristics. With the 10 decisions, the direction of the reforms has become clear. We must earnestly study and resolutely implement them and, on the basis of the spirit of the plenary session, strive to quicken Luzhou City's economic construction.

During their discussion, all workers of the Luzhou hydraulic [word indistinct] plant enthusiastically discussed the great significance of the reforms. They said: Since the 3d Plenary Session of the 11th CPC Central Committee, output and economic results of the plant have doubled and the plant has become an advanced enterprise in the industry. The reforms have brought vitality to the enterprises. We should, in accordance with the decisions made by the third plenary session, make the reforms a further success and strive for better economic results.

The cadres and technical personnel of the Luzhou natural gas chemical plant, which has made a profit of tens of millions of yuan since the beginning of this year, have confidence in the reforms. They said they will strive to quicken the pace of the reforms and give play to the role of the key enterprises in the four modernizations.

On the day the communique and the decisions were made known, the Yibin Prefectural CPC Committee held a meeting to study them. Under the chairmanship of Secretary (Xin Wenxu), those who attended the meeting enthusiastically discussed the communique and the decisions. They unanimously expressed their resolute support for the decisions made by the 3d Plenary Session of the 12th CPC Central Committee and they said they will lead the people in the prefecture to earnestly study, comprehend and resolutely implement them, and to quicken the pace of the reforms and make Yibin's work, including economic work, a success.

In Gulin County, where a pilot project on comprehensive economic reforms has been launched, the Standing Committee of the Gulin County CPC Committee has held discussions. During discussion, the Standing Committee reviewed the encouraging achievement of the rapid development of the county's rural economy since the 3d Plenary Session of the 11th CPC Central Committee. The members of the Standing Committee said that they have resolved, under the guidance of the 3d Plenary Session of the 12th CPC Central Committee, to lead the people of the county to resolutely carry out the reforms, forge ahead, quicken the pace of the county's comprehensive reform of its economic system, and make the reforms a complete success.

The more than 50 managers of the enterprises under Yibin City's third industrial bureau have earnestly studied the communique and the decisions. They unanimously held that the central authorities' decisions on the reform of the economic system have pointed out the direction of the development of the collective enterprises in the cities and towns and that they should earnestly study the decisions and quicken the pace of the reforms.

The responsible comrades of the Neijiang Prefectural CPC Committee and its administrative office suggested: The central authorities' decisions on the reform of the economic system comprise a glorious document that combines the basic principles of Marxism with China's revolutionary practice, as well as a programmatic document guiding the reforms. The reforms have been made necessary by the development of the situation. The whole party, the whole Army, and the people of all nationalities desire the reforms. The result of the reforms will necessarily be socialism with Chinese characteristics. A socialist economic system with exuberant vitality will certainly be established. It is necessary to earnestly study and implement the spirit of the decisions and to lead the people to quicken the pace of the reforms.

The workers of the Neijiang cotton textile mill glowingly said: The central authorities' decisions echo our innermost feelings. From 1979 to 1983, our mill made a total profit equivalent to the cost of four mills. This year, economic results have further improved. However, as a result of the absence of a clear idea of various kinds of relations, the enterprise has not been really revitalized. Now, we have a clear idea of the relations among the state, the collective, and the individual and we have put an end to the practice of eating from the two big pots. In addition, greater decisionmaking power has been delegated to the enterprises. Thus, the enterprises will be full of vitality and the enthusiasm of the enterprises and their workers will be aroused. The magnificent goals set by the 12th CPC National Congress will be attained.

(Chong Xiaohong), an advanced individual laborer of the country and one of Neijiang's individual households specialized in sewing, cheerfully said: We now have a bright future.

During their study of the decisions made by the plenary session, the responsible comrades of the administrative office of the Wanxian Prefectural CPC Committee reviewed the heartening achievements made by the prefecture since the 3d Plenary Session of the 11th CPC Central Committee. They profoundly understand the need for, and the urgency of the urban economic reforms after the rural economic reforms have borne fruit. They said: In the past, we knew of very few ways to make urban economic work a success. The 3d Plenary Session of the 12th CPC Central Committee has pointed out the direction to us and set demands on us. So long as we do our work in accordance with the decisions made by the 3d Plenary Session of the 12th CPC Central Committee, one can foresee that our economic work will develop rapidly.

In addition, the responsible comrades of the prefectural CPC Committee have earnestly summarized the prefecture's experience in implementing the spirit of the 3d Plenary Session of the 11th CPC Central Committee. They suggested that it is necessary to emancipate thinking, to give people a free hand in their work, to keep abreast of the times, and to act in unison with the CPC Central Committee. The prefectural CPC Committee has made preparations for studying the decisions made by the central authorities and ruled that units embarking on party rectification should regard the study of the decisions of the 3d Plenary Session of the 12th CPC Central Committee as an important part of the studies entailed by party rectification.

During their discussion, the people and cadres in Leshan Prefecture said: The reform of the economic system is imperative.

In (Qingyi) Township, Leshan City, some households doing specialized jobs said: Since the 3d Plenary Session of the 11th CPC Central Committee, the Central Committee has made its rural policy less restrictive and carried out reforms in the rural areas. Consequently, (Qingyi) Township has changed radically. Output value has increased. Now, commodity rate is more than 50 percent. The township has become Leshan City's source of non-staple food. The peasants' livelihood steadily improves. This shows that the party's policy is a good policy. However, it also imposes new demands on the urban economic reforms.

Some households which do specialized jobs said: Now, the peasants have become rich. However, they meet with difficulties as they go to the cities to do business or handle private or official affairs. Now, the central authorities have decided to quicken the pace of the reform of the economic system focused on the cities. We welcome this. The urban reforms will bring about radical changes on various fronts and make the country even more prosperous.

After studying the decisions, the responsible comrades of the Yaan Prefectural CPC Committee said with deep feeling: The central authorities' decisions on the reform of the economic system have greatly inspired those of our comrades who work at the grass-roots levels.

On the basis of the heartening changes in Yaan Prefecture since the 3d Plenary Session of the 11th CPC Central Committee, Secretary (Xie Shijie) of the prefectural CPC Committee pointed out: Development and progress are impossible without the reforms. The prefectural and county leaders should earnestly study the decisions, resolutely implement them, and, with a down-to-earth yet innovative spirit, carry on with the reforms in the mountain areas in the prefecture.

The comrades of the Yaan mining machinery company said: Only by taking the road of reforms can we revitalize the enterprises and develop the urban economy. We sincerely and enthusiastically support the brilliant decisions made by the CPC Central Committee. We should, in the spirit of the decisions made by the central authorities, resolve to carry out reforms, explore enthusiastically, turn the company into an economic body, and enable some workers to become rich first.

The specialized households in the rural areas also pay close attention to the urban reforms.

(Xiao Guifu) and (Luo Guiquan), commune members of (Caoba) Township, Yann City, said: The central authorities' decisions give strong backing to the peasants. Without these policies, we peasants could never have become rich. Even if we could have become rich, we still could not remain rich for long. Better policies have been formulated each year. If the policies can remain unchanged for a long time, the country will become even more prosperous and the people will become richer.

SICHUAN CPC DISCUSSES CENTRAL REFORM DECISION

HK240638 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 22 Oct 84

[Text] According to SICHUAN RIBAO, the Standing Committee of the Chengdu City CPC Committee held a meeting yesterday to study the decision on economic reform adopted by the 3d Plenary Session of the 12th CPC Central Committee. The members of the Standing Committee said: We will resolutely respond to the call of the third plenary session, conscientiously study the decision of the CPC Central Committee on economic reform, effectively carry out our work with full confidence and courage, and strive to attain all-round victory in reform.

In the panel discussions, the members first talked about their understanding of the great significance of the third plenary session. They said: The 3d Plenary Session of the 11th CPC Central Committee decided to shift the focus of the party's work onto economic construction, institute economic reform mainly in the rural areas, and universally implement the contracted responsibility system, which eliminated the defect of everybody eating from the same big pot and aroused the initiative of the vast numbers of peasants. We have attained tremendous achievements in restructuring the rural economic system, and the situation in the rural areas has made a turn for the better with each passing day. This was a great historical change and a significant milestone.

The 3d Plenary Session of the 12th CPC Central Committee has decided to restructure the economy, centered on the cities, and to apply the fruitful experience of rural reform in the cities. It has also worked out the blueprint for all-round reform and for accelerating the pace of reform, which will bring about a leap in the economy, play a great historical role, and serve as another significant milestone.

The members of the Standing Committee said: The decision of the CPC Central Committee on economic reform is a very important historical document. By integrating the basic principles of Marxism with the specific practice of China, it is a programmatic document with distinctive Chinese characteristics, which has significantly developed Marxism-Leninism under the new situation. The current situation is excellent. The political stability, ideological unity, the successful experience of rural reform, and the unprecedented economic prosperity have created favorable conditions for urban reform and have provided a solid foundation for the realization of the grand objective put forth by the 12th CPC National Congress.

Chengdu has been chosen as one of the pilot areas from among China's cities for carrying out all-round economic reform. Viewing Chengdu's reform, the members of the Standing Committee said: In the course of the all-round economic reform, Chengdu instituted the system of substituting tax payments for profit delivery and the system of factory directors assuming full responsibility, imposed no bonus ceilings, and extended the decisionmaking power of enterprises. The reform situation is gratifying and the urban economy is thriving as never before. However, the development of the reform is still uneven. The enterprises that have properly implemented the economic responsibility system constitute but a minority. Government administration is not fully separated from enterprise management, and there still exist outmoded ideas in the readjustment of the pricing system. The problems should be appropriately solved according to the spirit of the documents and in the course of party rectification.

The members of the Standing Committee said: By studying the documents, we will straighten out the confused thoughts on prices and consumption, let some people become rich first, raise our ideological awareness, enhance our confidence, remove and overcome the obstacles and difficulties in reform, create a new situation, and advance reform.

YUNNAN ENCOURAGES CRITICISM, SELF-CRITICISM

HK240546 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 23 Oct 84

["Random Talk" feature by Chen Wenhui: "On Criticism and Self-Criticism Being Outmoded"]

[Text] For the sake of doing a good job in party rectification, a party branch secretary of a certain unit went to various offices and sections to solicit opinions from non-party members. Everyone gave favorable remarks and none gave any criticism. Some people said that it is all right to make self-criticism but unsuitable to make criticism. Naturally, it is wrong to say that criticism and self-criticism are outmoded. Nevertheless, to a certain extent, this remark reflects the party's democratic style, which merits attention. During the initial post-liberation period, our party was upright in its style and there was a solid democratic atmosphere. The party rectification in 1957, followed by the anti-rightist movement, caused some comrades to keep quiet because they were afraid. Particularly in the 10 years of internal turmoil, due to the perverse acts of Lin Biao and the gang of four, people could only sing songs of praise and were not allowed to make criticism. Although the national economy was on the verge of collapse, a state of prosperity was said to be everywhere. Whoever dared deny the fact would be regarded as counter-revolutionary.

It is a pity that some comrades are influenced by such bad habits. They cannot tolerate any objection. In my opinion, if you want others to speak without reservation, you should first be sincere and should feel happy to have your errors pointed out. If you do not have this sincerity, it is not fair to blame the comrades who dare not criticize.

SHAANXI FORUM PROMOTES YOUNGER INTELLECTUALS

HK220813 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 20 Oct 84

[Text] A provincial forum on the building of enterprise leading bodies sponsored by the Organization Department and Economic Department of the provincial CPC Committee calls for stepping up the buildup of the leading bodies of enterprises so that outstanding young and middle-aged intellectuals can be promoted to leading posts to shoulder heavy duties. The responsible comrades of the departments concerned at the provincial, prefectural, and city levels, in total more than 60 people, participated in the forum, which was held in Xianyang from 15 to 19 October.

The participants in the forum held that large- and medium-sized backbone enterprises were playing an essential role in the four modernizations. In our country there are more than 3,000 backbone enterprises, 76 of which are located in our province. While these 76 enterprises account for only 3 percent of all the state-owned enterprises in the province, they contribute 40 percent of the gross industrial output value produced by all the state-owned enterprises in the province, and the percentage of their share in the tax and profits turned over the state is even higher. Considering the case of 35 large-sized backbone enterprises, the tax and profits which they turn over to the state make up more than 70 percent of the total tax payment and profits turned over by all the [words indistinct] enterprises in the province. As a result of the common efforts in recent years, the 76 large- and medium-sized backbone enterprises had all readjusted their leading bodies by late last year. The average age of the members of these leading bodies after reshuffle is 46.9 years, that is, around 5 years younger than the previous average age. Among the members of the new leading bodies, those with university or post-secondary educational qualifications account for 47 percent, 31 percent higher than the previous percentage. However, in view of the prospect of the four modernizations, the present leading bodies still fail to fully keep abreast of the developing situation. They are still faced with the problems of advanced average age, poor educational qualifications, and imbalanced composition of members in terms of professional qualification.

The forum emphasized that the readjustment of the leading bodies of the large- and medium-sized backbone enterprises is a reform of great significance. In order to fulfill this goal, the leading comrades at all levels and the comrades in charge of organizational work and cadre affairs must extend their field of vision. They should proceed in everything from the interests of their common cause and fear no dangers nor rumors and slanders. They should be bold in appointing young and outstanding intellectuals to the key positions in their enterprises and should never hesitate to promote those cadres who are brave in blazing new trails and put them in important positions.

Station Commentary

HK220815 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 20 Oct 84

[Station commentary: "Take Action To Let Outstanding Young and Middle-Aged Cadres Shoulder Heavy Duties as Soon as Possible"]

[Text] At present, the leading bodies of enterprises in our province are faced with the common problems of overly-advanced average age, poor educational qualifications, and imbalanced composition of members in terms of professional qualification. In order to change this situation, it is necessary to select outstanding young and middle-aged intellectuals to replenish the leading bodies and to appoint them to important positions.

However, some comrades have so far failed to consider this essential strategic problem in a long-term and comprehensive view, insisting that the present leading bodies are quite all right. Some other comrades always have misgivings about admitting young and middle-aged intellectuals into leading bodies, being worried that these intellectuals would not be up to their work because of lack of experience. As far as this problem is concerned, we must bear in mind that it is an arduous and pressing task to fulfill the goal of quadrupling the gross industrial and agricultural output value set forth by the 12th CPC National Congress.

Most intellectuals who graduated from colleges in the mid-1960's are now in their forties. By 2000, they will be around 60 years old. Will our cause of the four modernizations not be held up if we still refuse to let these people shoulder heavy duties but continue to rely on those so-called interim leading bodies? By the way, we should not indiscriminately insist that all these people lack experience, but should specifically analyze every case. Moreover, with heavy duties assigned to younger and middle-aged cadres, they will obtain experience through practice. Besides, in selecting outstanding young and middle-aged cadres to replenish our leading bodies, we must not solely consider their age and educational qualifications and should not hesitate to promote and appoint to important positions those pioneer-type cadres of deep insight who are brave in blazing new trails.

U.S. MILITARY TRAINING GROUP VISITS MAINLAND

OW250159 Taipei International Service in English 0100 GMT 24 Oct 84

[Station commentary]

[Text] A U.S. military training group of 11 headed by a major general arrived in Red China last week to tour military training centers in Peking, Sian, Shihchiachuang, Nanking, Hangchow, and Shanghai. It is the first American military delegation of its kind to visit the mainland at the invitation of Peking. A Western source, presumably American, was quoted as saying that the visit is part of the on-going relationship between Washington and Peking.

Red China is said to be sensitive about its military dialogue with the U.S. and does not want to be seen as moving toward a military alliance with the Americans. However, there is no question that the Communists are deeply interested in getting U.S. assistance to modernize their Armed Forces. One thing is certain: The American training group is not visiting Red China to say hello. They went there for two obvious purposes, finding out the status quo of the People's Liberation Army and how best the U.S. can help upgrade its fighting capability to make it a more creditable deterrent against the Soviets. The assumption is that Red China will be on the U.S. side in case of a super-power showdown. It is a dangerous assumption. What Peking wants is Washington's help to speed up its four modernizations. At no time did it indicate it will be a junior partner in an anti-Soviet alliance.

As a matter of fact, Red China is playing a superpower cause both ways. As the Americans are visiting its training camps, the Communist leadership began its fifth round of normalization talks with the Soviets. A militarily and economically strong Red China can only strengthen its hand in striking a deal with Moscow, thus contributing to a [word indistinct] rapprochement between the two Communist powers.

Red China may not pose an immediate threat to U.S. security, but is certainly strong enough to make troubles in the area near its borders. The Republic of China is not the only country feeling the threat. The six nations of the Association of Southeast Asian Nations are also deeply worried about U.S. intentions vis-a-vis the Chinese Communist regime. Aside from these considerations, the U.S. would bankrupt itself trying to modernize the 4.5 million-man PLA, which is the world's largest military establishment. Even if it is financially feasible, such an undertaking will take years to accomplish. Would the Soviets watch such a development with detachment? Certainly not. What if Moscow decides to make a preemptive strike against Red China? In such a scenario, the U.S. would feel compelled to intervene. It would mean a head-on collision with the Soviets, which would certainly lead to a nuclear exchange that is definitely not what the U.S. wants.

DEFENSE MINISTER STRESSES MILITARY READINESS

OW242316 Taipei CNA in English 1338 GMT 24 Oct 84

[Text] Taipei, Oct. 24 (CNA) -- National Defense Minister Soong Chang-chih said Wednesday that military personnel of the Republic of China's Armed Forces are ready to meet any enemy challenges no matter how the international situation changes and what kinds of deception the Chinese Communists resort to.

Speaking to the National Defense Committee of the Legislative Yuan, Soong said that in order to increase combat power of the Armed Forces, his ministry is improving military training and revolutionary aspects of the art of war while honing the combat skills of the Armed Forces.

In addition, the ministry is modernizing the equipment of the three forces so as to continuously boost both visible and invisible combat strength.

Independent national defense, Soong said, requires sufficient capability for fighting on our own, armaments self-sufficiency, and offensive and defensive deployment capability. Current undertakings in national defense are geared to all three goals, Soong stated.

In the first half of this year, Soong said much progress was made in military training, renewal of military weapons, and [words indistinct] science and technology of the Armed Force has been strengthened so as to complete the sacred mission of mainland [word indistinct] Soong added.

FOREIGN MINISTRY CONDEMNS DENG'S BLOCKADE THREAT

OW250307 Taipei CNA in English 0231 GMT 25 Oct 84

[Text] Taipei, Oct. 24 (CNA) -- Foreign Ministry spokesman Wang Chao-yuan said Wednesday that Teng Hsiao-ping's recent blockade threat against the Republic of China on Taiwan has once again exposed what is the real intent behind the peace overtures launched by the Peiping regime.

Speaking at a press conference sponsored by the Government Information Office, Wang said that the open threat to use force in the blockade reveals to the world that those peace overtures are merely a smoke screen employed by the Chinese Communists to deceive the world.

He called on the free world leaders to pay close attention to the vicious aggressive nature of the Peiping regime and watch its efforts devoted to the development of military equipment. This, he said, will help the free world to take necessary steps in boosting the collective power in safeguarding peace and security in the Asian and Pacific region.

Commenting on the four modernization programs initiated by the Teng faction, Wang said this have invited strong oppositions within the Communist Party and created confidence crises and spiritual pollution among the rank of file party members.

To promote the so-called four modernization programs, he noted, Teng has adopted an open-door policy, trying to obtain capitals and high-tech know who from the Western world. However, the open-door policy also brings in the thoughts of Western democratic way of life and material comforts, which, on the other hand, produce negative results causing confidence crises and spiritual pollution amid the party members, he said.

The spokesman also discussed the armed deals promoted by the Chinese Communists. He urged the Western world to notice the serious consequence of the Peiping regime's armed sales which is, in fact, closely connected with the activities of infiltration and subversion against the established government in the countries concerned.

At the same time, he attacked the Peiping regime for its sales of arms to belligerent countries, saying that the move has seriously affected the balance of power and peace in the region.

OFFICIAL STRESSES RESTRICTIONS ON MAINLAND VISITS

OW250359 Taipei CNA in English 0318 GMT 25 Oct 84

[Text] Taipei, Oct. 24 (CNA) -- Ma Kung-keng, director of the Bureau of Entry and Exit under the Ministry of the Interior, said Wednesday that in order to maintain the nation's security, the government will still insist on its stand of not allowing the people here to visit the China mainland while they are abroad without suffering serious consequences upon their return to this country. In a report to the Legislative Yuan's Committee on Overseas Chinese Affairs, Ma reiterated that the government will strictly forbid the people here from visiting the China mainland.

The Chinese Communist regime in recent years has stepped up its united front operations against this nation, Ma pointed out. He said several cases have indicated that the regime is trying to use the people here who have been to the China mainland as sources of information about this nation and to help it beef up its influence here.

For the sake of national security, the government will discipline the people here who visit the China mainland when they go abroad, Ma noted. However, he added, the Overseas Chinese who have been to the China mainland for tourism or visiting relatives will still be allowed to enter this nation if their visits are considered unharmed to the nation's security.

With regard to the people in Hong Kong who wish to resettle in this country, Ma said the government has worked out concrete measures according to the instruction of Premier Yu Kuo-hwa on Sept. 26, and there are no restrictions in accepting the people from Hong Kong as long as they meet the normal requirements.

Ma said that the government in the past year had approved 1,390 people from Hong Kong to resettle in this nation. From January to September this year, the government also approved applications by 2,312 Hong Kong residents who intend to come to this nation.

PARLIAMENTARY DELEGATION LEAVES FOR S. KOREA

OW250323 Taipei CNA in English 0237 GMT 25 Oct 84

[Text] Taipei, Oct. 24 (CNA) -- A Republic of China parliamentary mission, led by Yang Chen-wan, deputy secretary general of National Assembly's Constitutional Research Council, left Wednesday for South Korea for a weeklong visit.

At the invitation of the congress of the Republic of Korea, the ROC mission is composed of officials from the National Assembly, the Legislative Yuan, and the Control Yuan.

While there, members of the mission will visit centers of economic, military, and cultural activity in that country as well as meet Korean congressional leaders, members of the Korean-Sino Economic Society, and the staff of the ROC Embassy in Seoul.

TA KUNG PAO EXAMINES DECISION ON ECONOMIC REFORM

HK250346 Hong Kong TA KUNG PAO in English 25 Oct 84 p 2

[From "The Past Week" column]

[Text] Incentive -- Both Material and Moral

The concept of material incentive, once thoroughly denounced, is now fully reinstated and considered the motive force for China's economic development. The economic responsibility system, which aims at a fair deal to all the working people, rewarding them according to the quantity and quality of their labour output or mental output, has proved to be effective in the countryside. As the 20 October Decision adopted by the 3rd Plenum of the CPC 12th Central Committee puts it: "Agricultural production, which had worried us for so long, has been able to develop vigorously in a very short time, displaying the great vitality of our socialist agriculture."

However, this is not the only incentive in the minds of the Central Committee members. The Decision asserts that the relationship between the workers and staff and their enterprise has to be handled in such a way so that the former can feel they are its real masters and can work as such at their jobs, and their performance is closely linked with their social prestige and material benefits. For this purpose, concrete provisions are made in the decision to ensure the workers and staff and their elected representatives the right to participate in the democratic management of their enterprises.

In the West, the dejection and purposelessness experienced by growing number of young workers or even intellectuals has become increasingly worrying. Many of them even try to opt out of the society they are in. Even in the Soviet Union, alcoholism and absenteeism are fairly widespread.

If by real participation, the Chinese workers are to feel proud of both their social prestige and material benefits, socialism will have proved once again its superiority.

Discarding the Soviet Model

Western observers have pointed out that China is discarding the Soviet model for building socialism. This is quite true. The Soviet Union stresses rigid central planning; China is now defusing this system. The Soviet Union has always attached great importance to heavy industry; China now advocates the balance of heavy and light industry and agriculture. The Soviet Union has suppressed individual economy both in country and in town; in China there is now the return of both cooperative and individual economy in country as well as in town.

Commodity production and market force, except for a brief period in the early years of the Soviet Union, have been put under strict restriction; in China, both are now allowed to develop. In the Decision, it is pointed out that commodity production is a period which simply cannot be skipped in the development of a society. Furthermore, it is going to last a long, long time.

China is opening wider to the outside world than the Soviet Union has ever done. Reform in wage and price structures will wipe out egalitarianism and revitalize the country's economy. Will It Last? Will It Remain Socialist?

Those two questions are actually closely linked to each other: Will it last? If it does, can it remain socialist? If it turns capitalist, will it be allowed to last?

To these questions, signals flashed by Chinese leaders as well as the recent 3rd plenum are the same: There will be no reverses in the present policy as long as one can see -- a full century, or even longer. China will remain socialist.

But what is socialism? Is the rigid central planning system as that in the Soviet Union necessary? In answering this question, the Decision says, (China should) realize that, because of China's rather undeveloped commodity production at its present stage, it is necessary to stimulate commodity production and exchange... It is all the more urgent for us to institute this (three-prong flexible planning) system. If the actual conditions of our country are ignored and if we try to incorporate all economic activities into the plans and implement them by administrative order alone in disregard of the importance of the economic levers and the market, then there will unavoidably be a discrepancy between the subjective guidelines for planning and objective conditions, leaving the plans seriously out of step with reality.

After having quoted Lenin as having dismissed "a bureaucratic utopia", the Decision goes on to argue that "the full development of a commodity economy is an indispensable stage in the economic growth of society and a prerequisite for our economic modernization." The difference between socialist and capitalist economy, the Decision asserts,

Lies not in whether (commodity and the law of value) are still functioning, but in the differences in ownership, in whether there is an exploiting class...in the different purposes of production, in whether the law of value can be consciously applied throughout society and in the different scopes of commodity relations.

The Decision points out that "under our socialist conditions, neither labour power nor land, mines, banks, railways, nor all other state-owned enterprises and resources are commodities (to be bought and sold by private interests)." The conclusion is obvious: This being the case, there should be no fear that the Chinese economy could turn capitalist.

Price Reform

As the Decision points out, the reform of the price structure is the key to the reform of the entire economic structure. Since Liberation various essential goods and materials, which were in great shortage, have been put under price control and rationed distribution. After the socialist reform, little attention has been given to the importance of the law of value, and commodity production and market force were closely linked with capitalism and never accepted. Thus the irrational price structure was allowed to go on, with the prices of many commodities reflecting neither their value nor the relations of supply and demand. This has made the Chinese economy stagnant, and in turn aggravated the irrational price structure.

The necessity of a thorough reform has been written about in various publications for some time. But it is only now, after inspiring rises in both agricultural and industrial production, that conditions are ripe for a reform to be carried out in an orderly way along with reforms also in the egalitarian wage income structure.

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26 Oct 1984

